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Economics Against Democracy

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Resumo/Abstract:

I believe that freedom of choice constitutes a pillar of rational choice in economic theory, regardless of the definition of rational choice one adopts. On the other hand, economics being socially embedded, free choice in economics seems senseless without political freedom of choice. Democracy, therefore, plays an important role in economic efficiency as much as in social fairness. Following this line of thought one should expect that economics, both in theory and in practice, should permanently strengthen the role of democracy in its institutional construction. Unfortunately it does not seem to be the case. Although historically many of the democratic achievements in the past two centuries have been intimately connected to the development of liberal economics, one can assert that mainstream liberal economics is intrinsically contradictory with the democratic ideal.

The first stage of the demonstration of this thesis concerns the dismantling of the naturalization process that economics has undergone with the purpose of transforming economic decisions into plain technical issues supposedly free from democratic debate. The second stage concerns the ways in which the market has managed to legitimise its hegemony in society and the reasons why this contributes to the erosion of democracy. Within this hegemony five aspects will be dealt with; the imposition of a market jurisdiction; the deregulation of the economy; the process of political and economic unaccountability; the de-politicization of free choice and the conflict between the territorialization of democracy and the de-territorialization of economics.

Palavras-chave/Keyword: Democracy, Market, Politics, Liberal Economics, Participation

Classificação JEL/JEL Classification: A1, B4, H4, H5, I3, J8, K0

INTRODUCTION

I believe that very few amongst my fellow economists would deny that freedom of choice constitutes a pillar of rational choice, which, in its turn, is a pillar of economic theory, regardless of the definition of rational choice one adopts. On the other hand, free choice in economics seems senseless without political freedom of choice. Democracy, therefore, plays an important role in economic efficiency as much as in social fairness. Following this line of thought one should expect that economics, both in theory and in practice, should permanently strengthen the role of democracy in its institutional construction. Unfortunately it does not seem to be the case.

First of all, what are we talking about when we talk about economics? A rapid overview can identify at least twenty schools of economic thought, from neoclassic to evolutionary, from Marxist to Keynesian. If one had to be accurate, a paper on the impact of economics on democracy would, then, have to be divided in at least twenty chapters. The sort of economics I will be referring to in this paper results from a considerably narrower point of view, though. Economics, here, will be mainstream economics, the school of thought which dominates not only within the academia, but also within political cabinets and media. Although one could easily mistake mainstream with neoclassicism, and therefore call the paper neoclassical economics against democracy, one should not indulge in such hasty amalgamation. Indeed as David Colander pointed out in a conference that took place in June 2007 at the University of Utah, in Salt Lake City, mainstream economists do not see themselves as neoclassicists, but plainly as economists. What characterises mainstream economics, in other words “economics”, then?

Mainstream economics, as any other school of thought, is characterized by its particular methodology, its particular rationality and its particular analytical weaponry. Mainstream economics is, therefore, individualistic, utilitarian and equilibrium driven, and, finally, obsessed with mathematical formalisation. Being individualistic mainstream economics defines its goals in terms of the pursuit of isolated individual personal interest, social welfare, for instance, being the sum of each individual’s welfare. Being utilitarian and equilibrium driven, mainstream economics is oriented towards the maximisation of individual utility, in short monetary income, and the achievement of social equilibrium of supply and demand; the market, with its automatic paraphernalia, being the right institution to regulate this process. Being obsessed with mathematical formalisation, mainstream economics privileges quantitative cause and effect analysis, and unrealistically reduces society’s complexity in order to discover scientific laws similar to those governing nature’s realm.

Concerning the definition of democracy, one must agree that this is in itself a vast and ambitious project that throughout history has given birth to many studies and thereby to a great variety of proposals. A minimalist version, adopted by such unavoidable political scientists as Samuel Huntington or Adam Przeworski, for instance, presents democracy as being the regular performance of competitive elections (see Mazo, 2005). Although competitive elections undoubtedly constitute a key element of democracy, this definition is disappointingly plain, as it fails in transmitting its

enticing power, in explaining the reason why people in so many parts of the world are willing to give up living in their search for democracy. A richer discussion of the relationship between economics and democracy calls, therefore, for a more elaborate definition of democracy, one which, besides elections, demands civil liberties, including freedom of association and expression, and freedom of the press, to be guaranteed, citizens to be deeply involved in the decisions on matters that affect them, and institutions to be strongly committed with responsibility and accountability in the running of public affairs.

Although historically many of the democratic achievements in the past two centuries have been intimately connected to the development of mainstream liberal economics, one can assert that mainstream liberal economics is intrinsically contradictory with the democratic ideal. This criticism of mainstream economics does not aim at demonstrating an alleged incompatibility between market economy and democracy, though. On the one hand, literature in this domain is abundant and has generously shown that amongst all known forms of regulating the economy, the market is the one which till the day has afforded the more freedom, and, consequently the more favoured democracy. On the other hand, as Amartya Sen puts it well, denying decentralised regulation of the economy constitutes a denial of the very idea of democracy, as it would mean the same as opposing to people having a conversation, liberty of exchanging goods and services being equivalent to liberty of exchanging words (Sen, 1999: 19).

Nevertheless, the acknowledgement of this primordial role of the market in promoting democracy does not imply recognising an intrinsic and unattainable superiority of the market before any mixed forms of regulating the economy, within which the market shares that task with other institutions. The main goal of this paper consists in highlighting the ways in which the logic of mainstream economics conflicts with substantive democracy. In the following lines it will be shown, thus, why mainstream economics' methodology, rationality and formalisation can oppose to deepening democracy in modern society.

THE NATURALISATION OF ECONOMICS

The first step in demonstrating the conflict between economics and democracy should be the taken by dissecting the naturalisation process voluntarily undergone by mainstream economics since its foundation. Indeed, when adopting the above depicted methodology, rationale, and formalisation, economics constructs a speech according to which it should be considered on the same foot as natural sciences. However laudable the search for objectivity and certainty by economics is, the ultimate consequence of liberating itself from the complexity of human relations and of transforming itself into the simple application of immanent laws consists, nonetheless, in subtracting an important set of decisions, namely those referring to what has been called economic policy, from the political stage, in other words from democracy.

Stating in the *Wealth of Nations* that *the desire of bettering our condition is a desire which, though generally calm and dispassionate, comes with us from the womb, and never leaves us till we go to the grave* Adam Smith (1973) sent a powerful yet dubious message to future studies in economics, which is that, although undoubtedly a

social phenomenon, the motivation for economic welfare stems from the individual, from the intrinsic nature of the human being, and, therefore, not only is it independent from society's history but it also cuts across cultures. The culminating point of this attempt to eliminate the historical character of economics can be found in the very instructive story of the resistible rise of the economic man.

More than just an imaginary being, in other words an abstraction, characterized by its alleged self interest and maximising rationality, and to whom some economists would perhaps like us to resemble, the economic man is not only a well constructed fiction, but also a politically meaningful fiction. Indeed, mainstream economics is perfectly aware of this fiction but finds, nevertheless, a surprising comfort in perpetuating it. Robert Lucas himself says that *The economic man is a robot pertaining to an artificial economic system (...) in a way which real people never are. The economic man has proven to be an extremely useful and flexible abstraction, but it is assuredly not the best image of what human nature is or should be* (Lucas, 1994: 85). Paul Krugman, in its turn, says that the *Homo Economicus is a poorly plausible caricature*, but he adds that *it is a very highly productive caricature, and no alternative has been found till now* (Krugman, 1996: 78). I have already reported elsewhere how, in the light of science, it is impossible for economics to rest on such assumptions (Branco, 2000); therefore I will not come back to this in order to just concentrate on the purpose of these assumptions. Indeed, if the idea of a self interested and rational economic agent still prevails that is due to the fact that this character is a powerful instrument in reducing complexity, without which, in presenting its interpretation of the world, mainstream economics would not have been able to use mathematics so unrestrainedly.

Well if the economic man does not exist and yet can be found at the root of most of mainstream interpretations of economic phenomena, from fiction he then ascends to the category of myth, this being the perfect occasion for transcribing some admirable lines of French philosopher and sociologist Roland Barthes on the semiology of myth.

(...) myth is constituted by the loss of the historical quality of things: in it, things lose the memory that they once were made (...) A conjuring trick has taken place; it has turned reality inside out, it has emptied it of history and has filled it with nature, it has removed from things their human meaning so as to make them signify a human insignificance. The function of myth is to empty reality: it is, literally, a ceaseless flowing out, a haemorrhage, or perhaps an evaporation, in short a perceptible absence.

(...)

It is now possible to complete the semiological definition of myth in a bourgeois society: myth is depoliticized speech. One must naturally understand political in its deeper meaning, as describing the whole of human relations in their real, social structure, in their power of making the world

(...)

Myth does not deny things, on the contrary, its function is to talk about them; simply, it purifies them, it makes them innocent, it gives them a natural and eternal justification, it gives them a clarity which is not that of an explanation but that of a statement of fact.

(...)

In passing from history to nature, myth acts economically: it abolishes the complexity of human acts, it gives them the simplicity of essences, it does away with all dialectics, with any going back beyond what is immediately visible, it organizes a world which is without contradictions because it is without depth, a world wide open and wallowing in the evident, it establishes a blissful clarity: things appear to mean something by themselves (Barthes, 1972 (1957): 142-143).

We can say, therefore, that the economic man, as the founding myth of mainstream economics, constitutes an attempt to obliterate the historical character of economics, in other words an attempt to conceal the fact that economic acts essentially result from social relations woven by people in the course of time, and not from some mechanical application of putative natural laws that transcend them. The following question economics is called upon to answer concerns economy's regulatory institution which allows our economic man to express himself at his best. For Adam Smith it is quite clear that this institution is embodied by the market. In the wealth of nations he states that:

Without any intervention of law, therefore, the private interests and passions of men naturally lead them to divide and distribute the stock of every society among all the different employments carried on in it as nearly as possible in the proportion which is most agreeable to the interest of the whole society (Smith, 1973).

In a blow of magic an economic regulation system, in other words a set of mechanisms people implement in order to organise the exchange process, such as the market, becomes as natural as our fictional character, and therefore, also as mythological, that is to say as deprived of history as the economic man. Indeed, in mainstream economic literature there is no testimony of such a thing as the creation of the market. Politically influential French economist Alain Minc, for instance, told magazine *Évènement du Jeudi* that in *In the history of mankind, since it became mankind, the market is a natural state of society* (in Brune, 1997).

If it weren't for the historical traces concerning the creation of the market, one could almost succumb to the marvellous fable of its natural origin. Indeed, as an institution the market seems to have been already present by the end of the Stone Age. If its first formal descriptions apparently occurs in China, in the seventh century before Christ (Chang, 1992), and if it appears to be also quite present during the roman empire, the market seems to have played only a mere supporting role until the nineteenth century (Polanyi, 1983: 71). Jean Pierre Dupuy (1994) states that market economy constituted the answer given by men to the challenge of living together peacefully, in a society within which the religious and the sacred were continuously loosing social relevance. In other words, market economy seems to have embodied, after all, the victory of the bourgeois order over the ancient regime.

Ignoring to be both a witness and an actor of history, François Quesnay, a French medical doctor at the court of king Louis the 15th, and a reputed specialist in blood-letting, was one the first economists, so to speak, to have treated economics as a natural science. According to him economic phenomena were governed by laws identical to those of physics, universal and previous to social conventions. He claimed, for instance, that private property was one amongst natural rights, which he defined as those being given to men by nature in the same way as all men to whom nature has given eyes should have the right to light (Quesnay, (1758) 1985). As a matter of fact, in 1767, one of his followers, Dupont de Nemours, would entitle this school of thought physiocracy, which means literally government by nature.

Half a century later, David Ricardo, the famous English broker who discovered economics while getting bored at a spa, constructed an extraordinary economic theory according to which income distribution essentially obeyed natural phenomena. Firstly,

in Ricardo's view, the level of rent charged by landlords depended on relative land fertility and demographic pressure, which in turn was explained by a natural population law, as with Robert Malthus. Secondly wages earned by workers were essentially governed by the price of wheat, which depended once again on relative land fertility and demographic pressure. Finally, entrepreneur's profit consisted plainly in a residue after rents and wages were subtracted to general income (Ricardo (1817) 1983). Therefore, something as crucial in economics as income distribution, and with such a political charge, was naturally determined, and not quite disputable by economic policy.

Not long after the historicist interruption Karl Marx provoked in economics, Léon Walras, one of the leading scientists of the marginalist school and the father of general equilibrium, and despite criticising Ricardo's views, especially in what concerned value theory, resumed and perfected the naturalist interpretation of economics. He spoke of exchange value of wheat, in other words of the price of wheat, in these terms:

The exchange value factor, once established, takes, thus, the shape of a natural fact, natural in its origin, natural in its manifestation, natural in its way of being. But the exchange value is a quantity. It depends on mathematics (...) pure political economy, exchange value theory, or value theory (...) is, like mechanics, like hydraulics, a physical and mathematical science (in Denis, 1993).

Mainstream economists can reply that they are not like this anymore, that economic modelling is no longer dominated by physics, but it seems, nonetheless, that the enticing power of natural explanations to economic phenomena is still vivid, and that, in one shape or the other, naturalist rhetoric prevails within mainstream speech. Let us just cite a peculiar research by Gianni de Fraja which proposes an explanation for what he takes as being the universal human desire for increasing consumption. In Fraja's own words his paper holds that:

(...) this consumption was moulded in evolutionary times by a mechanism known to biologists as sexual selection, whereby a certain trait - observable consumption - is used by members of one sex to signal their unobservable characteristics valuable to members of the opposite sex. It then goes on to show that the standard economics problem of utility maximisation is formally equivalent to the standard biology problem of the maximisation of individual fitness, the ability to pass genes to future generations (De Fraja, 2006).

In other words the explanation for this so-called basic economics problem could, once again, be found in nature, not just exclusively human as before, but animal in general.

In conclusion, what the natural economics rhetoric purports to is that decisions in the so-called economic realm are technical problems and, therefore, transcend people, and consequently transcend democratic debate. Laws concerning dilation of mass are not balloted, climatic cycles, floods or droughts, are not submitted to referendums! Why should one debate, then, such a thing as a fair level of wage or a natural rate of unemployment? The integration of economics amidst natural sciences can be viewed, thus, as an attempt to rescue it from the grip of collective preferences, and, therefore, from politics and democracy.

Before moving on one should not miss mentioning that despite the obvious Marxian influence of soviet leaders, the first totalitarian experience presented as an alternative to market capitalism, also recovered the idea according to which economics is essentially a technical problem. In the first days of the Soviet Union, politics was certainly given a leading role, but on account of the famous objective laws produced by Marxian economics, although historical and not natural, one witnessed a similar kind of depoliticization of politics, this consisting in not more than the application of such objective laws (Sapir, 2002). Leon Trotsky, himself, in his work *Terrorism and Communism*, wrote that the only conflicts that would prevail within the forthcoming socialist economy, would be those developed between what he called technical parties, reducing, thus, economic choices to mere technical options, inevitably out of reach of political debate (Sapir, 2002: 179).

SCIENTIFIC RATIONALITY AGAINST DEMOCRATIC RATIONALITY

An economic decision, like any other decision, can be divided in three basic stages; a moment to gather relevant information, including values and beliefs socially and culturally transmitted, a moment to screen this information, and, finally a moment to produce the decision based on the information gathered. Admitting the reductive character of the following binary classification, this decision can be taken according to either a scientific rationality or a democratic rationality. By scientific rationality one should understand that which is based on knowledge obtained by the means of rigorous procedures, demonstrable and susceptible of being reproduced, and that which allows testing hypothesis and interpret results intended to be objective. By democratic rationality one should understand that which is based on the right possessed by each individual to be consulted on decisions that affect him. A truly democratic society demands not only that every citizen must participate in the making of decisions that are of his concern but also that decisions must not be served wrapped in a shroud of ignorance. In a democratic society, therefore, scientific rationality and democratic rationality are complementary, scientific rationality being given the role of enlightening the masses, that is to say the demos. Unfortunately, it seems rather easy for this complementarity to be transformed into conflict, in other words for science to exclude the masses instead of enlighten them.

Science is Not Democratically Debatable

Knowledge produced by natural sciences, by hard sciences, can be subjected only to two types of discussion, one concerning the validity of its formulation, resulting from the application of scientific rationality, and another the consequences of its implementation. If one can utter a preference regarding the latter domain, in other words confront alternatives based on the expression of values, such option is not acceptable when discussing the former. Indeed, it is senseless to utter preferences in relation to scientific interpretations regarding a given phenomenon as they can only be either right or wrong. Therefore, if two scientific interpretations are issued, one of them will forcibly be wrong, if not both. Scientific laws are applied not debated.

It is possible, for instance, to democratically debate the settlement of a nuclear power plant, but it makes no sense at all to ballot the principles which establish the

validity of producing nuclear energy through fission of the atom nucleus. Thereby, scientific laws produced by a naturalised economics should receive the same treatment. Indeed, if economics can present an optimal solution for a particular problem affecting the economy, then by definition that solution is the only one which, rationally, society should adopt. Within this frame, the enforcement of economic laws does not constitute a decision per se insofar as it does not reflect a choice. In a very clarifying manner, the 1983 winner of the Bank of Sweden's Prize in Economics in Memory of Alfred Nobel, Gerard Debreu, stated that economics is not an object of personal preference or political opinion, and that economics foundations are scientific and economic problems universal under any regime (Debreu, 1984: 80). Now, as Jacques Sapir (2002) puts it well, in a world in which to each problem corresponds only one solution, pluralism and democratic debate is senseless. Therefore, putative scientific economic laws, interfering with people's everyday life, affecting them, are by definition exempted of democratic legitimation.

The use and abuse of science to legitimise the eviction of democratic debate is not recent. There are several historical examples of how scientific, or pseudo-scientific, rationality was used to hinder democratic rationality, namely by claiming that not all individuals were qualified to participate in the decision making process, and thereby, that their participation in elections was contradictory with the very idea of democracy. Albert Hirschman in his work entitled *The Rhetoric of Reaction*, states the following:

(...) the undoubted advance of democratic political forms in the second half of the century took place in the midst of a diffuse mood of skepticism and hostility. Then, towards the century's end, this mood found a more sophisticated expression in social scientific theories, as medical and psychological discoveries showed human behavior to be motivated by irrational forces to a much greater extent than had been acknowledge before. The idea of basing political governance on universal suffrage could henceforth be exposed as a belated product, and, indeed, as an obsolete relic of the Enlightenment (...). (Hirschman 1991: 23).

Please bear in mind, nevertheless, that economists as scientists are not against democracy, they do not consider democracy to be dangerous to the expression of economic forces, on the contrary. They simply believe that democracy does not apply to economics, in other words they consider that economic decisions should be exempted from people's judgement, because economic laws and economic decisions do not belong to the same domain as democracy. That is more or less what Vilfredo Pareto had in mind in his *Cours d'Économie Politique* when he stated that being income distribution a natural law it is futile to change it and, thereby, to discuss it. As a matter of fact this futility argument is considered by Albert Hirschman one of the three faces of the above mentioned rhetoric of reaction, the two others being perversity and jeopardy (Hirschman, 1995). On Pareto's rhetoric Hirschman says:

Once Pareto had elevated his statistical findings about income distribution to the status of a natural law, important policy implications followed. It could now be claimed that, just as in the case of interference with the Law of Supply and Demand, it was futile (at best) to attempt to change so basic and invariant an aspect of the economy as the distribution of income, whether through expropriation, taxation, or welfare legislation (Hirschman, 1995: 57).

The speech on structural adjustment, for instance, fits particularly well in this framework. The guardians of the Washington Consensus, the virtual temple of

economic orthodoxy, namely the International Monetary Fund (IMF) and the World Bank, repeat to satiety that there is only one alternative to tear away developing countries from the crisis in which they seem to be stuck; theirs. One is not supposed, therefore, to discuss the validity of the recipe, as this is the product of indisputable scientific laws; at the most one can discuss the way in which the recipe should be applied, and indeed, it is occasionally recommended that structural adjustment should present a human face (see Cornia et al., 1987).

The Expert Dictatorship

The above qualified use and abuse of scientific rationality allows economics to resort to yet another subterfuge equally conducive to the marginalisation of democracy. Indeed, the growing complexity of problems affecting modern societies has been used to legitimise the transfer of decisions on matters that affect the community, from the hands of elected representatives of the people to those of individuals holding the required knowledge to deal with them, the experts. Even if this process responds to the wish of upgrading decisions, and, thus, to render a better service to the public, democracy can end up being hindered. Indeed, in result of the plea for scientific grounding, one can witness a real privatisation of public decision, in other words an expropriation of democracy. As a matter of fact, this privatisation may even be welcomed by the public, though, for whom politicians tend to be voluble, whereas experts are unquestionable because they are supposed to detain knowledge.

The preponderance of technical arguments for supporting public decisions also implies increasing intellectual difficulty in dealing with problems, crowding out, therefore, lay people from decision processes. As a matter of fact, many religions, throughout history, subdued people resorting, precisely, to this principle. Indeed, religious dignitaries usually presented themselves as depositaries of a divine revelation, whose interpretation was extremely complex and demanded specific knowledge, maybe even direct access to the creator himself (Brown, 2001). In some societies like those of nomadic people in the deserts, whose survival depended on the exactitude of the information concerning the territories they inhabited, but who, at the time, didn't possess precise and detailed maps, mental maps were crucial. By mental map one should understand an implicit and non-materialised spatial representation, a set of ideas regarding more or less vast territories, according to which individuals or groups of individuals act (Lacoste, 1993: 379). Well, in such societies individuals possessing the best mental maps, in other words detaining the most relevant knowledge to drive the nomadic tribes across their indefinite territory, would legitimate in this way the exercise of political power.

Tom Burns, in a report on the future of parliamentary democracy in Europe, stated that one of the main reasons for which parliamentary systems are progressively marginalised in modern politics and governance, rests on the fact that western societies have become too complicated for a parliament, or any other administration, to control them, to acquire the qualifications needed to deliberate on relevant matters, and he adds that numerous policy conceptions and applications are produced within thousands of agencies (Burns, 2000). This ideology of competence (see Gonçalves, 1996), in other words this idea according to which mere citizens, and inclusively politicians, are incapable of understanding the high complexity of social and economic reality and must

resign themselves to delegate the power of deciding to a caste of experts, constitutes, indeed, a powerful argument to debilitate democracy.

The delegation of power in institutions allegedly independent, like the recently emancipated central banks, constitutes a paradigmatic example of the above mentioned debilitation of democracy, because the adjective independent does not refer to the myriad of interests scattered within society, but plainly to immunity regarding the mechanisms of democratic control, such as parliaments. Let us remind, incidentally, that Edward Prescott and Finn Kydland, who received the 2004 Bank of Sweden's Prize in Economics in Memory of Alfred Nobel, precisely for their contribution in demonstrating the advantages of independent central banks, were much criticised by renowned mathematicians for making a bad use of mathematics with the purpose of justifying questionable hypotheses (Henderson, 2006).

It is also quite frequent for the IMF to shield itself behind recommendations of its technical staff when trying to justify the polemical wording of some letters of intention, that is to say the resolutions by which countries that have resorted to the Fund, accept its commandments. These letters of intention, nevertheless, constitute much more than mere technical products, they often consist in real political programmes (see Momani, 2004). It is, indeed, very cynical, to say the least, to take measures that will dramatically reduce public expenditure to alleviate poverty or support children education, for example, as mere technical issues.

THE HEGEMONY OF THE MARKET IDEOLOGY

For a long while it seems that the market had been given the role of an instrument to procure well being, a role in which it succeeded quite well, as a matter of fact. Once it turned out that the market no longer had to face credible competing regulation systems, it stridently claimed for a more important role, in other words, slowly, but inexorably, the market has been upgraded into a goal, and, consequently, submitted society to its own purposes. More than fifty years ago Karl Polanyi used the term market society to name this inversion of values. According to Polanyi such a society was characterised by the adoption of market rationale not only by the economy but also by society at large (Polanyi, 1983: 88). As a matter of fact, it seems that this transformation was handled both quite smoothly and effectively. Take schooling, for instance. For a long time considered an instrument of citizenship, not always with the best purposes actually, today, schools are taken mainly as qualification factories, and its social utility measured by the efficiency displayed in the production of those qualifications.

In short, hegemony of market ideology means, that it is not within the competence of the market to serve the interests of society; but, quite on the contrary, it is within the competence of society to serve the interest of the market. The effects of this ideology on democracy will be examined first of all by the means of the imposition of a market jurisdiction, in other words as the result of the market becoming both a source and a subject of the law; secondly through the transformation of economic deregulation into a paradigm of freedom; thirdly as a result of political unaccountability and irresponsibility; and finally as the consequence of what one could call the depoliticisation of choice.

The Market “Subject of the Law”

For obvious reasons it is not my purpose to dig deep on the dogmatic discussion that has been going on for quite a while on this matter. Nevertheless, I believe some explanation of its economic relevance is needed. The question is: can the market, in the same way as individuals or the State, claim to be a subject of the law, in other words can the market claim to be affected by third parties, and consequently demand reparation? This discussion has also been going on regarding animals and nature itself, by the way (see Ferry, 1992). Therefore, more than debating the legitimacy of this aspired legal levelling to individuals and the State, it is the subordination of individuals and the State to the market that constitutes the heart of the matter here.

The fact that the rights of the market can be ranked higher than those of the individuals and the State becomes, then, more than just an academic hypothesis, but almost a paradigm in arbitrating rights. Indeed, several decisions of the World Trade Organisation (WTO), for instance, constitute a perfect example of the adoption of the principle according to which the rights of the people are subordinated to those of the market. One of the purposes of the above mentioned organisation consists in tracking and identifying national practices that are contrary to the spirit of free market, better said deregulated, and sometimes legitimise actions, which although contradictory with that same spirit, appear has a response to the former. In other words, decisions taken democratically within member states of the WTO can be contested on the grounds of an alleged incompatibility of these decisions with the rules of freedom of circulation of goods and services, meaning that the market can overpower citizens.

The discussion regarding the innocuousness of certain products originating from genetic engineering, for example, has revealed the existence of a conflict between the principle of precaution and freedom of the market. The former principle demands an independent and unequivocal demonstration of the absence of danger of genetically modified organisms for human health as a condition for its approval and further circulation; the latter argues that, on the contrary, it is not within the competence of producers to demonstrate the innocuousness of its products (see, George, 1999), but within that of those which fear the possible consequences of its consumption to demonstrate its harmfulness before prohibiting the referred products. This conflict has transcended the consumption sphere because, in reality, it opposes two different sources of legitimacy; one of which, democratic, because it proceeds from the citizen through national parliaments; and the other, technocratic, because, in turn, it proceeds from the market through the expression of economic interests.

A good example of this conflict is given by the commercial dispute between France and the United States. On the one hand, France was considered to be violating freedom of the market through its refusal in importing American beef on the grounds that this was potentially harmful for human health because of the use of growth hormones, and on the other hand, in order to repair the market for being deprived of its alleged rights, the United States was authorised to punish France by imposing prohibitive taxation on the imports of French cheese Roquefort (George, 1999). On the opposite direction one can find the same sort of attitudes, namely concerning a Californian standard imposing a minimum percentage of recycled material in glass

containers (Morris, 1996: 444). What is at stake here is not only the undeniable fierce competition between the two countries in world markets, but also, and mainly, the unfolding of a logic that submits democratic decisions, aiming at protecting the environment and public health, to bureaucratic decisions based on the premises of the allocation of rights to the free market.

Some words, finally, on the famous Multilateral Agreement on Investment (MAI), negotiated between members of the Organisation for Economic Cooperation and Development (OECD) between 1995 and 1998, and which failed after socialist prime minister Lionel Jospin withdrew France from the agreement. Its logic contained almost all the perversities described above, namely regarding its procedures. One of the arrangements of this agreement concerned the rigid limitations that binded the States willing to withdraw from the agreement after having signed it (Sapir, 2002). The near irrevocability of MAI imposed restrictions on governments that went much farther than what it was usual in international treaties, unbearably fettering its programmatic freedom, and therefore citizen's choice, tying society to an economic global program rendered unquestionable.

Deregulation of the Economy

By asking the removal of barriers to market adjustment, mainstream economics has clearly put economic deregulation at the heart of its program. As a matter of fact, this deregulation is not merely a situation strategy, in other words an adaptation to modern times; on the contrary, as everyone would agree the idea of an absence of regulation is deeply embedded in mainstream economic theory since its beginnings. Bernard de Mandeville, for example, the true precursor of mainstream economics, maybe even more than Adam Smith itself (see Torres, 1998), sustains in his *Fable of the Bees* that freedom should be taken as the absence of impediments to individual action (Haworth, 1994).

In the global economy, this deregulation has primarily affected the ability of governments to make economic policy, be it fiscal, monetary or international, which means that any government that attempts to implement measures that contradict those of the majority of world governments is threatened by the practical neutralisation of its policy (Rachline, 1998). Not only this fact is, by itself, sufficiently illustrative of the absence of real choice in what defining the course to be followed by nations is concerned, but as Robin Archer (1995) puts it, democracy demands some authority, in other words impediment. Although in terms of human rights, every economist, even amongst ultra liberals, will probably agree that freedom is unconceivable without some restraint on individuals, this same restraint does not seem to be desirable for the economy, the Mandeville interpretation of freedom having apparently constituted itself as a paradigm in mainstream economics.

Well, this paradigm is detrimental to democracy. Suppose an economy characterised by the absence of regulation from the State. In this situation one can say that the whole of national income is distributed without any interference from political power. In these conditions what will be the role of politics, and, thereby, of democracy asks Jean-Paul Fitoussi (2004)? As a matter of fact, the opposite example would lead to same conclusion, although for different reasons. In this case, if national income would

be distributed exclusively by the State, people's incomes would depend almost entirely on electoral outcomes, which would take individuals to build interest coalitions that would make democratic life impossible. Jean-Paul Fitoussi concludes that a distributive system including the State is necessary for democracy, but also that it is crucial that a significant part of each individual's income must be determined through non-political processes (Fitoussi, 2004).

One more remark should be made on the conflict between deregulation and democracy, beyond this opposition in principle. Indeed, by promoting inequality in income distribution, economic deregulation is once again detrimental to democracy. The largest openness possible of the economy claimed by the market is, according to Maurice Obstfeld, conducive to a decrease on capital's fiscal burden, and, in counterpart, to an increase of this same fiscal burden on labour (Obstfeld, 1998: 20), which would contribute to render income distribution more unequal. The case of Germany, former West Germany to be more precise, is particularly illustrative; André Gorz says that in the period between 1978 and 1994, despite real wages having grown 6% and profits 90%, the latter's share in the State's tax revenue decreased from 25% to 13% (Gorz, 1997: 33).

According to the European Commission one could blame the flexibilisation of certain labour markets for a social dualisation characterised by a growing gap between people enjoying a well remunerated and safe job, and people that, on the contrary, suffered from both precarious and low paid jobs (European Commission, 1994: 153). Thus, in the majority of industrialised countries wage inequality has grown between 1970 and 1990, especially in the United Kingdom and the United States, which are the countries that have adopted, precisely, the most aggressive deregulation of the economy (Piketty, 1997: 19).

Well, according to Boutros Boutros-Ghali, for example, one of the major impediments of democratic development resides in the serious inequalities that exist (Boutros-Ghali, 2003). Quite sometime before, in the late nineteen fifties of the twentieth century, political scientist Seymour Martin Lipset pointed out that the existence of a significant middle class is determinant to democracy (Lipset, 1959), which, by definition, is stronger when income inequalities are low. Furthermore, empirical evidences seem to have been found relating inequality and the lack of democracy, or in the other way around, the positive relationship between moderate or declining inequalities and democracy (Acemoglu, 2003; Barro, 1999; Engerman & Sokolof, 2002; Przeworski et al., 1996) the main argument being that the gap between the rich and the poor, rendering distributive conflicts more acute, and creating a feeling of economic insecurity, would contribute to erode people's and leaders' adhesion to democracy (Fitoussi, 2004). Furthermore, income distribution inequalities tend to be accompanied by inequalities in the access to other political resources, such as respect, status, information or knowledge, all resulting in the political sub-representation of the poorest social groups (Dahl, 2000; Calderón & Szmuckler, 2004; Engerman & Sokolof, 2002; Haworth, 1994).

Dilution of Responsibility and Unaccountability of Power

In the beginning of this paper it was mentioned that democracy demands responsibility and accountability from those entities which exert power. Being responsible and accountable means that the entity to which citizens have democratically conferred legitimacy to decide on their behalf should answer before them. This responsibility can be observed in two different moments. The first moment concerns the attribution of the very responsibility to decide, in other words the definition of who has the power, and the second the way according to which citizens can both grant and control the power to decide.

Who has the power, then, in the world of globalised market capitalism? It seems clear that the State is loosing power, not as a consequence of some sort of obscure conspiracy, but, partly, as an outcome of its own programmatic will. Indeed, after deregulating the economy, eliminating the control of capital flows, abdicating of monetary policy, of exchange policy, and of part of fiscal policy, the State has voluntarily given up genuine power to decide on issues that really matter. Thus, one is entitled to wonder if the State is truly responsible, in other words if the legitimacy citizens grant the State on the occasion of elections is not somehow misdirected? The State still has some power, but less and less as time goes by. This growing irrelevance of the State has taken Michel Beaud to sustain that contemporary societies would be suffering of an entirely new disease, acrary, in other words helplessness of power, or the loss of political will (Beaud, 1997: 237).

On the other hand, the increasingly irrelevant State intervention seems to be characterised by a necessary rather than a normative foundation, in other words by obligation rather than by conviction. How many times haven't governments resorted to the excuse that they didn't have the choice, in order to justify controversial decisions before the citizens? One of the most striking aspects of this irresponsibility drift of the State consists in the relegation of certain economic policy objectives. Thus, in contrast with what characterised the post second world war period until the mid seventies of the twentieth century, when economic policy was formulated in terms of final goals, such as full employment or just bettering the living conditions of the people; after the eighties of this same century economic policy became formulated preferentially in terms of intermediary objectives, like budget equilibrium or market flexibility. Well, with this kind of policy formulation, citizen's welfare is transformed into a mere side effect.

By acting in this manner, the State sweeps responsibility away, better said the State becomes responsible essentially before the market rather than before the citizen. This State's subordination to the market was very clearly brought out by a former chairman of the Bundesbank at the World Economic Forum, held in Davos in February 1996. He sustained that political leaders should be aware that from the moment they were elected they would be submitted to the control of financial markets (in Petrella, 1997). The State's irresponsibility also stems from corporation's greater ease, especially in what concerns multinationals, in adapting to the role of a global actor, when compared to the State, eminently a national institution (Groupe de Lisbonne, 1995: 122).

Now, if the State is not responsible for the decisions that affect citizens, why should governments be cyclically submitted to people's scrutiny at the time of elections? Why should the people punish or reward governments for something for which they are not responsible? Who is responsible, then? To whom should the citizens

ask for accounts? To the market? Well, if the market is not accountable before anybody, much less will it be before the citizen. A former member of Citicorp's board seems to have given the right answer in an interview to Wired, for many the cyber-era's bible. Nobody, he said. He, then, added that if policies were not good, the market would sanction them immediately, exclaiming that he was totally "in favour of such an economic democracy" (in Schiller, 1996).

Well, if the markets have taken control of the real power to decide, they are not accountable before the citizens, at the most they are indirectly accountable before corporations' shareholders. Indeed, according to the logic of corporate governance, decisions are not taken by all those affected by their decisions, but by those who own the capital. Therefore, in best, democratic control becomes dependent on each shareholder's financial weight; in the worst, citizens will be governed by an unaccountable entity. In any of these hypotheses one is facing a flagrant erosion of the democratic idea which has instituted the requirement of giving accounts of decisions that affect third parties and has granted each adult citizen one vote regardless of his condition.

The loss of power by the State, in itself, shouldn't be forcibly considered anti-democratic. If this loss had corresponded to a transfer of power from the State, usually taken as the bad guy in human rights discourse, to individuals, in other words if it had corresponded to the empowerment of citizens, democracy would not have suffered in the least. But, that is not what happened. In reality, one has been witnessing a transfer of power from an accountable entity, since those who exert power within the democratic State are both elected and known, to an unaccountable entity, the market, which, by definition, is anonymous. This unaccountability of the market constitutes a serious menace to democracy on the grounds that concentration of power in unaccountable institutions has usually given rise to the abuse of power, as David Korten (1996: 190) stresses.

On this matter, the example of the concentration of power in the hands of an unaccountable totalitarian State in the old eastern European popular democracies should alert all those in favour of a new concentration of power in the hands of another unaccountable entity such as the market. Not only the concentration of power in the hands of an unaccountable entity in those years of scientific socialism was undemocratic, but it also produced an unsustainable economic inefficiency. In this process, according to David Korten, capitalism would be revealing its proverbial self-destructive tendency, not so much for the reasons pointed out by the Marxian critique, but ironically, for the same reasons that led scientific socialism to collapse (Korten, 1996: 190).

Depoliticisation of Free Choice or Depoliticisation of Politics

It has been referred to in the beginning of this text that both methodologically and politically economics, mainstream economics, is individualistic. Well, individualism by taking each individual as valuable as any other constitutes a pillar of modern democracy, and therefore, economics can claim part of the laurels of democracy's current triumph. Nevertheless, as it happens on so many occasions, if too little individualism can restrain democracy, too much individualism can dissolve it. Paul

Streeten penetratingly describes the trap in which democracy would fall if it were to rely exclusively on personal interest.

In a democracy, if all always acted and voted exclusively in their individual economic self-interest, the poorest 49 per cent of voters would lose. For in order to get a majority it is necessary to bribe only the middle 2 per cent of voters to vote with the top 49 per cent to achieve a majority of 51 per cent. And the top 49 per cent have more money for this purpose than the bottom 49 per cent (Streeten, 1995: 267-268).

An entirely democratic society must, therefore, be based upon a certain amount of social solidarity, of concern regarding the other; in democracy one must vote for what one believes to be correct more or less independently from the consequences of our choice for our personal well-being. There is, indeed, an ethical dimension of democracy that can certainly accommodate to personal interest but cannot rest exclusively on it. Furthermore, if exclusively individualistic, democracy not only risks losing its *raison d'être*, but also compromises its existence since there are probably more efficient ways to satisfy personal interest than political involvement. On this subject, Bernard Perret sustains that, through the supply of a growing diversity of goods and services, the global market allows the democratic individual to satisfy his desire for freedom in a safer and straighter manner, without actively involving himself in the democratic process (Perret, 1999: 14). Nevertheless, this extraordinary profusion of goods tasting like liberty and perfumed with just the right amount of escapist exoticism, can distract citizens from what is essential, which is to remain master of one's fate, as Alexis de Tocqueville had already warned in the nineteenth century (Tocqueville, 1986).

In the following lines I wish to examine a different subject, although intimately connected with what has been exposed until now, and which constitutes a key element of an unyielding version of democracy, one according to which in the exercise of real democracy the ultimate issue that is being balloted is the way we wish to live, in other words the choice of a regime. This principle being accepted, what do one really chooses when one chooses political leaders?

Well if the hegemony of market ideology opens the range of consumption possibilities; it narrows, on the contrary, the discussion on the nature of the economic system. One could retort that such an absence of economic and political alternatives results from a wide consensus on the way one wishes to live, and that, therefore, it has become somehow senseless to submit capitalism to people's suffrage. Let us admit that market capitalism, amongst alternative ways of living, is clearly picked by a majority of voters in an election. In this case one can say that market capitalism was democratically chosen as the way people wish to live. Let us now imagine another situation in which the same set of voters we know prefer market capitalism is called upon to choose again the economic system they wish to live in, but where there is no alternative to market capitalism. The result of the process will be most probably the same as in the previous call, in other words market capitalism will get the majority of the votes, and, therefore, will be democratically legitimised.

The outcome of both electoral processes is the same, market capitalism wins. These two processes are also democratic in the sense that the will of the majority triumphed. Nevertheless, these processes are fundamentally different from the point of view of the above mentioned unyielding version of democracy. According to Amartya

Sen, the fact that in a process such as the second there is no any available alternative to the voters constitutes a deprivation of freedom, curtailing the democratic character of the electoral process (Sen, 1993: 57). If the lack of choice amongst products and amongst suppliers of services, resulting, for instance, from a country controlling imports, can be considered a deprivation of freedom for the market, logically, the absence of alternative economic regimes in electoral processes should also be considered in the same way.

The availability of alternatives is not only a demand of democracy's legitimacy, it is also essential in order to collect its alleged economic benefits. First of all, an election in which clear government alternatives are in confrontation is not the same as one in which only the personality of the candidates to conduct a predetermined policy is at stake. In the first case one is facing a choice of society, a political choice in its deep sense; in the second case what is at stake is the attribution of a vote of confidence to an association, or an individual, to conduct a policy on which, in fact, voters have not expressed themselves. In other words, what the political class is asking the voters in modern electoral processes, competence being discussed ad nauseam in detriment of the idea, is a mere certificate of both aptitude for the charge and strength of character.

In a retrospective analysis of his main work *Strategies of Development*, Albert O. Hirschman, without even looking for it in the first place, as he insists on pointing out, shows how democracy's contribution to economic development demands the presence of clear programmatic alternatives, an analysis that ensues from the inherent logic of his famous theory of unbalanced growth. He sustains that each policy objective is so hard to reach that, in order to progress towards only one of these objectives, it is necessary to mobilise all the nation's intellectual energies and political resources. Thus, other objectives, equally primordial, will be inevitably neglected, which, sooner or later, will capture public attention. The criticisms that will follow will oblige the government to change its course and concentrate its resources on a new objective, neglecting, in turn, other objectives (Hirschman, 1988: 116-117).

This method of selecting objectives and this way of progressing in its achievement can seem perverse and dangerous at first sight, since it is possible that in such a scheme of government, a determined social group can be constantly left out, but, according to Hirschman, democracy can, precisely, provide a satisfactory answer to this conflict of objectives. Thus, in a democratic system of government, suppose bipartite, each one keeping its own physiognomy and ideological coherence, a different priority will be granted to each objective according to the party in office. Within the frame of political competition, objectives will compete in the same manner as political forces, and will be neglected or considered a priority according to what will be dictated by the natural alternation in power.

According to Hirschman, this is the way of advancing a country, even if this sort of procedure generates justifiable discontentment within certain layers of the population, since one can admit that although some of the ground gained by a given government in pursuing an objective might be lost on account of its substitution by another within the mentioned frame of alternation, the succession of this process in time, in a scheme of gains and losses, provides real benefits, and, in the end, global progress would be attained on the back of the parties in conflict, so to speak, everybody ending up wining. Now, this peculiar scheme cesses to function when partisan

alternation does not correspond to programmatic alternation. Well it seems that this is precisely what is happening when economic laws are exempted from democratic debate. Colin Hay showed how, in Great Britain, for example, Tony Blair's New Labour, rather than an alternative, constituted itself, as an heir of Margaret Thatcher's conservative economic policy (Hay, 2004).

This absence of alternatives is certainly not foreign to peoples' growing alienation regarding electoral processes, opening the gates, as Richard Norgaard stresses, to the supremacy of technocratic decisions over those democratically debated, renouncing *in fine* to the participation of the people in the elaboration of decisions (Norgaard, 1994: 145). In summary, market capitalism authorizes various streams of thought on how one should live, as long as they think the same. The problem does not concern the absence of freedom of choice in itself, market capitalism allows extensive freedom of choice in various domains, but the depoliticisation of choice, the transformation of the citizen into a mere consumer, reducing the reason of the former to the rationality of the latter. Suddenly, the words of an eminent Financial Times' editor, claiming that democracy consists in knowing what brand of cereals one will choose for breakfast (in Collin, 1997: 173), makes perfect sense.

THE TERRITORIALISATION OF DEMOCRACY VERSUS THE DETERRITORIALISATION OF THE GLOBAL ECONOMY

Once again, one of the conditions demanded by a democratic regime is the right of the people to participate in the process of making a decision that will affect them. Such participation is obtained mainly through free and competitive elections involving every citizen of age. The only true problem here is to decide who is a citizen and who is not. This a very important question because a decision can only be democratically legitimate if it is sufficiently independent of influences and interactions originated outside the Demos (Collin, 1997; Dahl, 1997). The democratic system is, thereby, confined to the political geography of a given community.

That is why the development of the democratic idea followed the steps of the evolution of this political space. According to Michel Beaud both Greek's democracy and the tax payer's democracy of pre-capitalist State-Cities expressed themselves within a finite space. The physical boundaries of both these democracies matched those of the city and the interests at stake corresponded to those of very specific groups, citizens of the antiquity in the first case and merchant bourgeoisie in the second (Beaud, 1997: 233). Modern democracy, in turn, expanded its political space by matching its territory with the boundaries of the nation-state and by adopting universal suffrage.

The path taken by the market economy is substantially different. The spatial confinement that the very notion of market suggests, in other words the place where trade happens, gave place in the global era, not to the expansion of its territory, but to its disentanglement, in other words to a "deterritorialisation" of the mechanisms of creation, production and distribution of goods and services, contrasting sharply with the "territorialisation" of democracy. Thus, whereas a substantial part of major economic decisions is made within a "deterritorialised" frame, better said within a virtual territory woven in network by the "world markets", the mechanisms of democratic participation and its constitutive institutions are, on the contrary, confined to the growing narrowness

of the Nation-State. The result is an increasing physical separation between the centres of decision and the people affected by those same decisions (see Cassen, 1997), weakening, therefore, the scope of democracy.

It seems that the transformation of the economy is going on at a faster pace than the transformation of the polity, then. Is that a coincidence or is that part of a deeper movement? According to David Morris this increasing separation between governance and citizenship is part of a long process also characterised by the separation between the producer and the consumer or between the city dump and the dust bin (Morris, 1996: 220), in other words is part of a process that can also be called economic development. Therefore, the separation between the decision and the community affected by that same decision is nothing more than the political expression of the growing partition of society, resulting from specialization and social division of labour, the conflict between the global economy and democracy being, then, the normal outcome of the expansion of market capitalism.

Does this mean that only small communities closed to the outside world could really live in democracy? No! This means that one has to look for new ways of participating democratically in the decisions that are shaping the world today. In the more than likely absence of the State, if the actual trend should persist, who could be called to replace it? Corporations, most especially large multinationals, can hardly aspire to play that role, since they are only responsible before shareholders. Organising a new democracy around corporations would, therefore, contribute to shrink the demos to its proto-democratic limits. On the other hand, the difficulties that have been experienced in the construction of supra-national democracies, within the European Union as much as within international organisations (see Held, 1997; Dhal, 2000), also show that there is still no serious alternative to the nation-state.

CONCLUSION

By stating in his *Democracy in America*, that when searching what is best for business, entrepreneurs may disregard the essential which is to remain their own masters, Alexis de Tocqueville, was already pointing out the pernicious role economics could play in the process of deepening democracy (Tocqueville, 1985). Despite being an inveterate liberal, Tocqueville understood the necessary submission of economics to politics in democracy, in what he questioned many of his fellow liberals who believed in the natural character of economics, in other words that the economic and the political belonged to different realms, and were, therefore, subjected to different rules.

As seen above, the purpose of a natural economics was depoliticising economics, better said rescuing it, not only from the obvious links binding it to society, but also, through a baptism of nature, to impose its analytical schemes and its conceptions of the right behaviour. In dehumanising economics, mainstream thought is thereby asserting the idea that humans have neither the ability nor the power to change it, in other words to construct a different economics, placing it above political debate. As René Passet puts it, the justification for human action would rest from now on in the technique transformed in ideology (Passet, 1979: 126).

The main threat hanging over democracy does not concern the surge of a totalitarian, or globalitarian, economic ideology; indeed, its not individual freedom, in the sense that the only limit to its liberty is the liberty of another individual, that is in question; it is political freedom, in the sense that individuals are supposed to participate in the decisions that affect them, that affect the course of the city. Thwarting the hegemony of market ideology does not suppose the elimination of the market, though. As Jean-Paul Fitoussi puts it, relations between the market and democracy are more complementary than conflicting since preventing exclusion by the market, democracy would reinforce the economic system's legitimacy, and by restricting political control over people's lives, the market would favour a deeper adhesion to democracy (Fitoussi, 2004: 49). If the market reveals a tendency to evacuate democracy; making democracy an absolute goal could, paradoxically, lead to the same outcome. A world where every single choice would result from democratic deliberation would not only be unviable but also insupportable, and more than everythingk, very little democratic. Thwarting the hegemony of market ideology is not about replacing the market by democracy as well, but about preserving the political character of public space.

Beyond the recognition of the eminently moral and political character of economics, another conception of science could provide a more advantageous relationship between scientific and democratic rationalities. Mainstream economics suffers from an acute form of monism, in other words from the belief that there is only one best way for knowing any particular system. A pluralist approach, on the contrary, could be more favourable to democracy. A pluralist approach not only accepts different views to a problem, but also does not fear the contradictory unraveling that might occur as a result of the use of opposed standpoints. As Richard Norgaard puts it "to accept conceptual pluralism is to accept multiple insights and the inherent inability of science to describe complex systems, to predict how they may behave, or to prescribe how to make them behave in another way" (Norgaard, 1994: 97). Monism in economics is, undoubtedly, aesthetically beautiful because of its very strong explicatory power, if only it could explain anything.

Another conciliating approach with democratic rationality, just making its first steps, concerns post-normal science,. According to this approach, conventional science is characterised by its search for eliminating the existent uncertainties and to sweep away elements of subjectivity. Post normal science, in alternative, stands for a strategy of problem resolution that accepts uncertainty and the various valuations and perspectives on the problems in question (see Funtowicz, 2004). Knowledge produced exclusively by specialists is, thus, replaced by a co-production of knowledge resulting from the participation of the community at large, in other words this type of science reclaims democracy instead of excluding it.

Nowadays economic phenomena seem to be hanging over our heads like the great mysteries of nature. Economic bulletins strangely resemble weather forecasts, commodity prices float as temperatures, and unemployment suffers from seasonality. Within this frame people are put in the position of a powerless spectator that attends the dazzling show nature is offering him. This sort of economics is not at the service of the people; on the contrary, it seems to submit him. Well, if it's impossible to respect substantive democracy in a given set of economic rules, one should not forcibly give up on substantive democracy, but rather enrich this system and change its rules. It is by

doing so that, instead of submitting the people to its specific purposes, economics will fulfil its real duty which is to afford the means to pursue people's proclaimed goals.

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