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## Editorial Article / Introduction

### Special Issue: “The Community of Advantage”

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The publication of *The Community of Advantage* (2018) was an important event for scholars working in the research avenues opened by Robert Sugden in the last forty years. At the core of Sugden’s theoretical system are the nature and function of the market and the economy, which are reflected by J. S. Mill’s expression chosen as the title of this book. From this perspective, the market is a dense network of mutually beneficial relationships that are richer the more people differ from one another. Sugden aims to show that the cornerstone of the market economy is not self-interest, as Adam Smith and almost all modern economists believed, nor the pursuit of the common good, but rather the mutual benefit between the individuals involved in the exchange. In today’s rhetoric that increasingly relies on sports or militaristic language to present the market as a race or a fight, Sugden reminds us of the ancient idea that the market is the greatest form of cooperation that human beings are capable of and have achieved across the globe.

Traditionally, the main aim of the neoclassical welfare economist is “to evaluate alternative states of affairs for a society from an impartial point of view” (Sugden 2018, 17), directing recommendations to some hypothetical policymaker or “benevolent autocrat” (Sugden 2018, 19). Questioning the idea that individual preferences may be aggregated into a meaningful collective from an impartial point of view, Sugden advocated a contractarian approach based on the idea that economic analysis should be directly addressed to citizens as a collective recommendation. Thus, the economist plays the role of a non-impartial “mediator” who guides the contracting parties

toward a mutually beneficial agreement. In this mediator role, the economist's judgments are not grounded on preferences but on the opportunity criterion, relying on the basic premise that every individual is interested in having more opportunities rather than less (Sugden 2003, 2004, 2007, 2010, 2018). Therefore, the book not only represents a series of attempts to restate some of the main findings of traditional welfare economics under this approach but also provides a moral proposal to citizens in order "to persuade them of the advantages of living in a society that upholds" such morality (Sugden 2018, xii). This operation is grounded on the idea that a group of people "might make a collective decision about which norms should apply to their interactions with one another" (Sugden 2018, 260) regardless of whether those norms are formally established and enforced or are simply the result of a common, informal understanding.

The Happiness Economics and Interpersonal Relations (HEIRS) association and LUMSA University organized in Rome an international two-day conference to discuss the several topics related to *The Community of Advantage*, specifically reconciling normative and behavioral economics, we-rationality, the moral dimensions of the market, reciprocity, the philosophical foundations of liberal economics, and so on. In the beautiful Embassy of the Holy See and at LUMSA University, many scholars interested in Sugden's economics and philosophy gathered. Their work has been driven by the application and exploration of Sugden's principle of mutual benefit as he describes in his book. Sugden's inaugural talk and presence in the plenary and parallel sessions encouraged the participants to discuss in great depth the issues at hand and, at the same time, the analysis and discussion of Sugden's ideas encouraged him to deepen his own thought. The cooperation for mutual advantage envisaged by Sugden was thus applied to the furthering of science and knowledge of his own thought.

The present special issue of *International Review of Economics* hosts a selection of the speakers' contributions who participated in the conference. The special issue opens with Sugden's revised version of his plenary talk (Sugden 2020) wherein he clarifies his position concerning social choice theorists and welfare behavioural economics. His philosophical and economic interest in liberty and opportunity brought him to abandon any form of paternalism, classic or even libertarian. Of particular interest is Sugden's opening remarks where he recalls Antonio Genovesi and the civil economy as sources for his book: "It is particularly appropriate that the symposium is published in what is coming to be known as the Journal of Civil Economy."

Federica Nalli's contribution (Nalli 2020) starts from the assumption that behind the principle of mutual benefit is Sugden's account of team reasoning. Her work offers a valuable contribution by reconstructing the genesis and evolution of Sugden's thought, divided into four parts, while not renouncing the critical interpretations of some crucial turning points. In his contribution, Shaun P. Hargreaves Heap (2020) aims to highlight the similarities and differences between the *Community of Advantage* and Sugden's first work *The economics of rights, co-operation and welfare* (1986). While Sugden holds onto his contractarian view rooted in Hume's thought – in this regard he wrote a paper (2009) entitled *Can a Human be a Contractarian?* –, Hargreaves Heap reflects on the impact of Smith's concept of sympathy on the economist. Sugden describes it as fellow-feeling, and the adoption of Smithian perspective brought him to implicitly make stronger moral claims than those contained in the principle of mutual benefit. In other words, aside from mutual advantage, Hargreaves Heap sees mutual respect as the pillar of the community of advantage.

Two contributions reflect on Sugden's analysis of preferences and the opportunity criterion. On the one hand, Christian Schubert (2020) recalls his previous discussion with Sugden (Schubert 2015; Sugden 2015) about individuals' attitude toward their own future preferences. According to Schubert, when contractarians such as he and Sugden advise citizens about opportunity, they cannot take for granted that people are able to identify their own future preferences. Although Sugden's opportunity criterion does take this for granted, Schubert proposes to endogenize it through public investments in institutional infrastructures. On the other hand, Mozaffar Qizilbash (2020) discusses the informed preferences and paternalistic principle in Sugden's work. He lays out several well-developed arguments but, above all, his comparison between Sugden's and Rawls's position with respect to the paternalistic principle is of the utmost interest. Sugden himself recognized some similarities with Rawls, yet Qizilbash shows the differences between *The Community of Advantage* (2018) and *A Theory of Justice* (1971), calling for an updating of Rawls's theory, which can compete with that of Sugden.

Focusing on the social implications of Sugden's view, Francesco Guala (2020) aims to understand the features system of social insurance envisaged by Sugden to promote the opportunity of mutual benefit. Guala argues that while Sugden's view could be enough to promote opportunities of mutual benefit in the market sphere, the social insurance system should be more

extended to cover other important aspects of social life, such as growing inequalities, and to foster cooperative attitudes among its members. On a similar note, Paolo Silvestri's contribution (Silvestri 2021) seeks to expand upon Sugden's reflection on the Italian taxation law of 8×1000 as a contractarian approach to public goods. Silvestri makes an interesting case in applying Sugden's opportunity criterion to another case study, the Italian institution of 5×1000, claiming that Sugden's principles are more in accordance with this latter system, which broadens the opportunity of free choice of citizens. Benedetto Gui (2021) provides a general reflection on the possibility that the principle of mutual advantage be construed as a principle of economic morality. He recognizes its value for a minority of market cases and its relevance for a potential majority when there are proper social institutions regulating market transactions. However, Gui identifies a problem in that the principle cannot fully account for externalities. Even mutually advantageous transactions in a society in which the opportunities of mutual advantage are extended as much as possible can have a negative impact on the social environment.

Thus, this special issue contributes toward the debate brought forth by Sugden's latest book and his activity as a researcher. The interested readers will encounter both provocative thoughts and deep reflections herein and, if willing, are welcome join and contribute to the discussions surrounding the community of advantage.

### ***Disclaimers:***

Dalila De Rosa: the views expressed here are those of the author and do not necessarily reflect those of the Ministry of Economy and Finance – Italy. Tommaso Reggiani: research support from Masaryk University (project: MUNI/G/0985/2017) is gratefully acknowledged.

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