

# **The Property Economics and the Benchmark Culture of Common Sense: On Markets for Ideas, Ideals, and Ideologies**

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**Abstract:** *The very word “culture”, as well as its twin, “civilization”, is one of the richest with respect to both significations and assorted definitions. Common in defining culture is to observe both its immaterial and material dimensions, meaning both the sharing and bonding values and ideas, on one hand, and the artefacts embodying them and resources involved in their making, on the other. There is a multiple relation between the world of ideas, which is disciplined by logical soundness, and the world of things, which is disciplined by property rights. And the interplay of ideas / ideals / ideologies and property rights is a critical one. The capacity of a culture to deliver peace and prosperity heavily depends on the measure in which public space is impregnated with the logic of private property, the mark of common sense. A condensed view of the Romanian realities will round up the principled argument.*

**Keywords:** *economics; praxeology; cultural climate; property rights; ethics; ideas*

**JEL Classification:** *B13; K30; L82; O34; P48; Z10*

## **Introduction**

Assessing and addressing the place and role of **private property rights** in economics, the science of human action, is arguably a tribute to **common sense**. Society, not by a long shot readable as a simple summum of people or as an entity somehow superior to the persons that compose it, represents, effectively, a nexus of relations: “exchange

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relations". There are at least two major kinds of exchanges noticeable, but this "taxonomy" neither exhausts the categories, nor excludes their overlapping: exchanges of **goods** and of **ideas**. When speaking of **culture** (responsible for the sense of individual or group identities) or **civilisation** (responsible for what keeps united the human species or society), both the goods and the ideas become critical, because they are the fuel of both ("cultural"?!) conflicts or ("civilizational"?!) cooperation. The world of and life in such reality of scarcity with respect to resources shape both the birth of ideas on how goods are to be produced, exchanged and consumed, as well as the way in which some goods as means / supports / channels for transmitting ideas deliver, filter, alter the "immaterial" feature of our existence. Ideas are embodied within the craft of goods, while some ideas-carrier goods – *i.e.* those from the realm of scientific deliverables, media terminals, visual or performing arts exhibits or requisites – allow or block the spread of ideas during their (both goods and ideas) exchange. But not goods as pieces of mater are exchanged, but "property rights" in them. Their definition, delimitation and defence is cornerstone for peace and prosperity.

Only for the sake of saving words, the discussion about economic realities can be "elliptical" regarding **property-related judgments**. But **economics qua science** cannot systematically make savings of true and necessary ideas if wanting to make sound explanations (and decent predictions). Being loyal to the exigency of searching for simple truths about complex reality, the formalization of economic explanations in terms of property rights becomes decisive in providing sound, legitimate (fundamentally qualitative, not quantitative) assessments about the necessary consequences of certain institutional constraints onto human actions. The analysis of the way property acquisition / appropriation is favoured / encouraged (*i.e.* naturally legitimate or not) is the sole realistic standard to assert the welfare effects and the efficiency claims behind certain economic activities, being the backbone of "classical school" of economics, political philosophy and legal theory. **Property economics** is the mark of the modern Austrian-Libertarian synthesis – in a sense that Mises (1998) only used as default in the critique of statist interventionism, Rothbard (2009) introduced as working tool in his discrimination between "power" and "market", Hoppe (2006) brilliantly applied to the analysis of different kinds of "socialisms", and Hülsmann (2004) explicitly re(de)defined in the **praxeological** format (see also Jora 2013). *Nota bene*: in this paper, when talking about property rights, we have in mind those in material goods, for intellectual property needs some further analytical de-homogenization.

The cultural phenomenon, whether or not having transcendent reverberations, manifests itself in the social immanent, one tributary to the scarcity of resources. Although the concept of culture refers to values, preferences and beliefs, ultimately expressed in the form of the general environment of **scientific and artistic ideas** (the

sense we give to the word in this essay), they both provide pre-representations for the way societal scarce resources are productively transformed and are ultimately encapsulated in products / artefacts in which, *volens nolens*, the scarce resources are productively transformed. The definition, delineation and defence of property rights are subject to scarcity, and the political philosophy and the political economy, themselves culturally sensitive, have searched for sustainable answers to a problem on which peace and flourishing of human communities depend, even in so-called cultural sense. The failure of soci(et)al institutions, directly influencing the production and distribution of general welfare and wealth, hampers the capital (re)generator of culture, defined as circulating ideas on how our world and life are / should be. To expel the economic discernment on the grounds that the science based on prices is too superficial in the area of the unpriceables (be they **ideas**, **ideals** or **ideologies**) is proof of superficiality, having detrimental economic consequences. The very logic of property rights helps the judgments on the social circulation of ideas, on the in-built (un)soundness of certain ideals and on ideological pretences of social order.

This essay recollects some arguments with respect to the scrutiny of the general cultural environment of ideas with the logic of property rights as **logical censor**: (a) *firstly*, we will explain how natural is to represent all human actions in terms of property rights commitments and how relevant are the institutional comparisons; (b) *secondly*, we will emphasize the similitudes and differences in the grasp of the markets for goods and those for ideas and their alleged need for state correction; (c) *thirdly*, we will go to the fundamental logic of private property rights to expose the principled failure of several “fashionable”, although “unarguable” social ideals; (d) *fourthly*, we will revisit the social-democratic and the conservative ideologies, pointing out the mismatch between their political means and general prosperity. Such an “abstract” discussion is relevant for the “concrete” events at least from the last 25 years of the post-dictatorial and post-central planning transition (sic!) towards democracy and capitalism in Romania, for when speaking of the poor state of mentalities, responsible for unconvincing societal performances, whether or not realizing it, we speak of the poor intellectual commitment to the logic of private property rights and to the very institutions / policies consistent with them. Even if ideas are somehow free floating in our society, the freedom of expression unaided by discernment is of little use; even if ideals are shouted loudly, their fulfilment is not a function of decibels; even if progressive social-democracy or residual conservatism look beneficial for some, they have societal external costs.

## On human actions and “property (rights) economics”

What ultimately defines any societal system is the **prevalent way to appropriate or to acquire the scarce resources**. There can be only two ways to gain resources in any

society, at any time: **voluntary** and **violent**. The relevant dichotomy remains (Oppenheimer 1975) the one between the **economic means** (peaceful, consented property acquisitions) and the **political means** (aggressive, violent, coercive, even formally “legal”). These two abovementioned ways are mutually exclusive: that is to use one involves excluding the other. This division covers all alternative choices in the real world, and this puts us in a position to compare the implications of these choices within any given context. As such, the alternative modes of acquiring resources represent the basis of the **property analysis**, comparative analysis of the systematic consequences derived from choosing one way against the other one which remains unrealized. The property analysis represents the very essence of individual actions / aggregate structures / societal systems’ comparative analysis. Just as equilibrium analysis, property analysis is of a counterfactual nature, but it compares realistic alternatives: one conducted in action, the other being the unfulfilled alternative (Hülsmann 2004).

This analytical *modus operandi* in the economic science has a respected tradition, being traceable back to the writings of the Spanish Scholastics and to those of the French “Harmonistes”, especially Bastiat (2012), and the pertinence of its conclusions proves inversely proportional to the simplicity of the reasoning.

A sample of property economics theorizing. The reasons for which the institution of private property rights, in the **Lockean sense**, leads to the **highest possible** production of wealth (the most efficient overall allocation of resources) are obvious: any **abdication** from this set of rules **redistributes** property titles and revenues from the legitimate users, producers and contractors of goods to non-users, non-producers and non-contractors. And this implies that there will be relatively less resource homesteading whose scarcity is discovered, there will be less production of new goods, less maintenance of existing goods and fewer mutually beneficial, voluntary exchanges. It follows, at least, an inefficient allocation of resources such as hard work and entrepreneurial spirit. And this logically involves a lower standard of living in terms of goods subject to mutually beneficial trade. Noteworthy, the stipulation that only the first user / producer / consented buyer of a good acquires the property over it ensures that productive efforts will always be as high as possible since it becomes orderly and predictive. Summing up, any deviation from the natural rules of property implies reduction of productive efforts which further lead to inefficient allocation of scarce resources.

The brief synthesis from above sketches a fringe from the competent critique, in terms of “ethics and economics”, of the existing literature on property rights settings delivered by Hoppe (2006), pointing to the fact that this fundamental institution is not neutral to and cannot be dismissed from the social science work.

## **On markets for ideas (in the logic of property rights)**

We will address below two aspects in which the flow of ideas can be traced back to private property rights (“material” sense): (a) one is dealing with the **logic of markets** beyond their ideas-sharing / informational / knowledgeable dimension; (b) the other one concerns the theses for and tools of **governmental regulation**.

### **Hayek and / vs. Mises subtle economic calculation (sub)debate**

The social, economic world is both one of **ideas** and of **matter**, of **knowledge** about ends and means of fulfilling them as well as of **things** of physical consistency that need to be produced and consumed. The construction of a rational economic order would be relatively simple, of a profound logical nature, as Hayek (1945) notoriously explained, if: all relevant information would be available; it would build upon a given system of preferences; all the information regarding the means of production could be easily accessed. Such optimal setting translated into mathematics holds that the marginal rates of substitution between two goods / two factors are the same for all their uses. But this is not the economic problem society faces, for information based on which the **economic calculation** is performed is never “given” or mastered by a single mind. The problem consists precisely of the fact that the necessary information for such planning is never found in such a concentrated form, but only dispersed, incomplete and even contradictory. Thus, the economic problem is not one of “given” resources allocation, but one of finding the best way of employing resources needed / available by / to individuals, employment of which importance only those individuals literally know. This problem is solved with the help of the freely-formed price system, where each scarce resource is being attached a numerical index that reflects its importance in the cross-societal means-ends structure which needs coordination. Changes in the market will be reflected in these indexes (prices), which incorporate condensed information, so that there is no need to know all the phenomena that caused the change and their effects to rearrange preferences; it is enough to adjust the quantities one as one. “Fundamentally, in a system in which the knowledge of the relevant facts is dispersed among many people, prices can act to coordinate the separate actions of different people in the same way as subjective values help the individual to coordinate the parts of his plan” (Hayek 1945, 526). The price system is a mechanism through which information is communicated on the market, function which is altered once prices begin to be controlled (by government intervention). Hayek’s argument featured on the free market side of the (still not fully absorbed in economics) interwar debate of the “economic calculation in socialism” problem – Mises-Hayek-Robbins “Austrians” vs. Taylor-Lange-Lerner “market socialists”.

Although not fully grasped in the free market camp, there still was an important difference in focus between Mises (the originator of the calculation argument for the **impossibility** of socialism on **property rights** grounds) and Hayek (invoking the **impracticability** of socialism on **knowledge dispersion** grounds). Converging, Salerno (1993), Hoppe (1996), and Hülsmann (1997) explain the difference. Mises – and, following his steps in a clearer manner, Rothbard – conceives economics in an unequivocal manner as a **science of human action**. Action has two inseparable aspects: a **subjective** one (action is a rational, intelligible process) and an **objective** one (action involves real and physical things). Consequently, the economic and political philosophy of Mises and Rothbard is more robust, and their categories and theories invariably have real, operational sense: private property, division of labour based on private property, production, direct and indirect exchange and also mandatory interferences with private property, production and exchange, by taxation, counterfeiting, legislation and regulation. In sharp contrast, Hayek – and more or less misled by him in some sense, both Kirzner and Lachmann – sees economics as a sort of **science of human knowledge**. Hayek's categories and theories seem to refer more to **purely subjective phenomena** and are invariably elusive or even illusory. He seems rather concerned not with human action involving palpable, tangible things, but with knowledge and ignorance, with division, dispersion and diffusion of knowledge, of vigilance, of discovery, and of learning, along with coordination and divergence of plans and expectations. The physical-external world and the real-material events seem to have vanished almost completely from his theory. Hayek's categories refer to mental states of affairs and relationships, being fully independent and compatible with any real physical state of affairs and events. The question why market prices are superior to their centrally planned counterparts is brought into a newer light. While "Hayekians" believe that the market prices are better because of their informational dimension, "Misesians" argue that their primary virtue stems from their origin: truly voluntary, non-simulated, cooperation; they cannot be assessed through mental experiments for their significance has nothing to do with truth or knowledge, but with real actions of entrepreneurial nature, backed by private property rights (Hülsmann 1997, 48).

### **Coase's conundrum on the "need" to regulate markets for ideas**

The general discussion on (governmental) regulation of markets makes a clear distinction between **the market for goods and services** and **the market for ideas** (speeches, writings, religious beliefs). Coase (1974, 384-385) examines the general approach regarding the two markets (for goods / services and, respectively, for ideas) and their regulation (or not), finding that the general feeling is that while (a) on the market for goods / services: regulation is desired; the state is usually considered competent and properly motivated to regulate; consumers are not capable to make the

right decisions; most often, producers hold monopoly power, and, in the absence of state intervention, they would not act in a way promoting the public interest, (b) on the market for ideas: regulation is not desired and should be explicitly limited; the government, when trying to regulate, would be inefficient, and its reasons would generally be bad, therefore, even if it manages to obtain what it had intended, the results might not be those desired (by the public); consumers, free in their choices, can make a fine distinction between the alternative views they would be faced with; producers, strong or weak from an economic point of view, who can have an unscrupulous behaviour in other markets, enjoy the confidence (from the public) to act in the public interest. A common explanation for this separation could be that the two markets have different origins, the need to freely organize the intellectual life preceding the benefits of freeing trade of economic goods / services.

Coase (1974, 389) does not find this distinction justified, since the same “market” considerations (and the same “governmental” approach) should be had in mind: in all markets, producers are motivated both to be honest and dishonest; consumers possess some information, but not all information, and, besides, it is possible they are unable to understand the information they have; regulatory authorities aim to do their job well, but, like any human being, are prone to mistakes. Applying the same approach for the two markets, it looks like it would be a greater need for government intervention in the market for ideas if we consider externalities: an idea always brings important gains or damages beyond its target. Another example that might justify government intervention is given by the ignorance of people: people are thought as “ignorant” in their food choices, and this is why this area is regulated; they are “ignorant” as well in discerning among competing economic and social policies, but here regulations are out of question. In the same logic, false or misleading media reporting or politicians’ speeches, equivalent to fraud (a core governmental concern) escape regulation in this case. Finally, the market for ideas also has certain regulated subdomains, regulations against which very few protest, because intellectuals receive **public** support for this situation or use **public** assets (*viz.* media, education).

### **Partial conclusion**

The circulation of ideas is part of the price-emerging market circulation of social information and statist interferences hamper economic calculation and incentives.

### **On ideals’ inner logic (going back to property rights)**

At this point of our essay we devote a brief discussion on how we may assess from the outset the logical soundness of certain, otherwise very emotionally appealing, **social**

**ideals** with the help of **praxeological arguments**. Praxeology, the logic of human action, has the “property” of being “property-rights-sensitive”.

### **Praxeological, positive refutation of normative, ethics fallacies**

Rothbard (2009) agrees with Mises that the value-free praxeology – and its most developed part, economics – is unable to produce ultimate ethical judgments. His own ethical contributions took a different path, arguing for the “fulfillment of being” by finding the natural rights ethics of liberty, and, as such, of private property. But he observed that praxeological laws, exposing the necessary consequences of the existence human action, have the potential to assist human reason in making sound ethical judgments: “[P]raxeology may be extended beyond its current sphere, to criticize ethical goals. This does not mean that we abandon the value neutrality of praxeological science. It means merely that even ethical goals must be framed meaningfully and, therefore, that praxeology can criticize (1) existential errors made in the formulation of ethical propositions and (2) the possible existential meaninglessness and inner inconsistency of the goals themselves. If an ethical goal can be shown to be self-contradictory and conceptually impossible of fulfilment, then the goal is clearly an absurd one and should be abandoned by all” Rothbard (2009, 1297). The critique doesn’t refer to ethical goals which seem impossible in certain historical context due to “unripe political conditions”, but to those which are strictly conceptually impossible because of the inherent nature of acting man and his surrounding universe. A paramount example: “egalitarianism”, a philosophy which is both operationally (how to equalize in a changing societal environment) and strategically (calculus and incentive long run implosion) absurd.

### **Praxeological, argumentative, property-based review of ethics**

Hoppe (2006) extended Rothbard’s praxeological critique of ethics building and his *jus naturalis* ethical revision by choosing an innovative path to fuse praxeology and ethics – **the logic of argumentation**. Hoppe shows, in Habermasian fashion, that the ethical premises relies on the pure logic of discourse, on the canon of committed peaceful argumentation; in this dynamic, each partner from an argumentative dialogue may logically understand that the intrinsic consistency of any argumentation implies *volens nolens* mutual respect for the fullness of corporal and extra-corporal faculties useful to argumentation (in terms of private property rights). Thus, aggressive “justification” is self-defeating. Hoppe not only argues that you cannot argue against private property rights because you basically argue against argumentation, but wittily avoids the classical “is-ought” trap. “The praxeological proof of libertarianism has the advantage of offering a completely value-free justification of private property. It remains entirely in the realm of is-statements and never tries to derive an «ought» from an «is». The structure of the argument is this: (a) justification is propositional justification – a priori true is-statement; (b) argumentation presupposes property in one’s body and the homesteading principle – a



priori true is-statement; and (c) then, no deviation from this ethic can be argumentatively justified – a priori true is-statement” Hoppe (2006, 345). The culture and civilization of argument is property-rights-based or it will not be at all.

### **Partial conclusion**

The logic of private property is in-built in the general logic of human action in society; cancelling it is deeply anti-cultural, anti-civilizational, anti-common-sense.

### **On society and ideologies (shaping property rights)**

This economic problem is centred on scarce resource allocation process, thus the question of who is to decide (or is empowered to) the allocation is paramount (Jora 2011). Around this particular question there were – and still are – many ideological disputes on the economic system or on the most appropriate institutional arrangement to overcome all these scarcity problems. Historically, two main answers were given to this basic question: **liberalism** and **statism** (be it of hard-core socialism or mid-road interventionism). And both of them are accordingly enrooted in i(deo)logical perspectives.

Interventionism relies on various ideological pillars, this depending on the cultural and political pedigree of nations and on the ability of the political leaders to instil them into both “politics” and “policies”. Two of the most widespread ideologies are **social democracy** and **conservatism**. Hoppe (1989) speaks about socialization (usurpation in the name of society of the private property rights) not only in cases of traditional socialism (“Russian-style / Bolshevik socialism”), but also in the “social democratic” and “conservative” versions of interventionism (but which he terms, emphatically, “socialism” as well).

According to Hoppe (1989, 8), socialism, of any style, is “an institutionalized policy of aggression against property”. The **social democrats** moved only few degrees from the original socialist doctrine severely hit in popularity by the tragic Bolshevik record of post-revolutionary Russia. They considered that instead state property in production factors, **taxation of revenues and wealth**, and, with it, “income equalization” (as a trend, and not as a final state) or “opportunities equalization” (“equality of chances”) as true cornerstones of a modernized socialist doctrine to accommodate market features.

If the old Marxist socialists – like their new social democratic relatives – must be conceived as delivering egalitarian reactions to “change, uncertainty and mobility” – the natural characteristics of a capitalist liberal society –, the **conservatives** opt for an anti-egalitarian, though equally interventionist, response. They aim at recreating an orderly and stable social system, where for each person is insured the conservation of the

previously acquired position, by limiting and blocking the peaceful, but “disturbing”, contractual means of property creation. The policies: **price control, regulations and behaviour control.**

### **Partial conclusion**

The crises of interventionist ideologies are not only crises of improperly enforced institutions and policies, but of improperly digested ideas on the nature of society.

### **On “Romanian exceptionalism” (vs. common sense)**

The discussion from above on the multivalent relationship between the climate of ideas and the pure logic of property rights applies to **any times** and **any places**. There is no historical proof (for is theoretically inconceivable!) of societies exhibiting hostility or even neutrality towards **private property rights judgments**, only episodes of violent political denial of their free pursuit from some people at the expense of the rest. Even if discursively obliterated, the consequences hit back as a boomerang. In literature, there are many studies analysing cultural propensities towards “remoteness from power”, “collectivism”, “masculinity” and / or “uncertainty avoidance” – to mention only these four original **cultural dimensions** of Hofstede’s (1980) –, at the first glance, “at odds” to **economic freedom** spirit (Mincu 2015). Economic freedom is best described by reference to fundamentally qualitative indicators such as “size of government: expenditures, taxes, and enterprises; legal structure and security of property rights; access to sound money; freedom to trade internationally; regulation of credit, labour, and business” (Gwartney, Lawson, and Hall 2014). They offer the image not of an anarchic society, but of one soundly anchored in the rule of law.

There are plenty of studies which argue for an influence of the cultural dimensions (Hofstede’s taxonomy being only the most popular, but not the single one) on economic freedom, for culture has the capacity to sift the formal rules / institutions, reshaping economic freedom (e.g. Johnson and Lenartowicz 1998). At the same time, culture explains why freedom-friendly institutions succeed or not in certain societies, despite the discursive rationality upon which they rest. Culture, as a **meaningful concept** about value-sharing, ideas-exchanging, people-bonding, society-building shall not be in conflict with economic principles. The importance of culture cannot be fully grasped skipping **economic logic** (Boettke 1996), and this is either dense in “property judgements” or does not deserve to be called so. But culture sometimes does favour erratic and heretical behaviours towards logic, which eventually are (at least partially) corrected when the reality strikes back. When culture and logic coincide, commerce flourishes and material progress emancipate masses from their subsistence anaesthesia, but this coincidence is not a question of mere hazard but of painful

process of discovery and education. The ideal is to get to align culture, logic, via institutions.

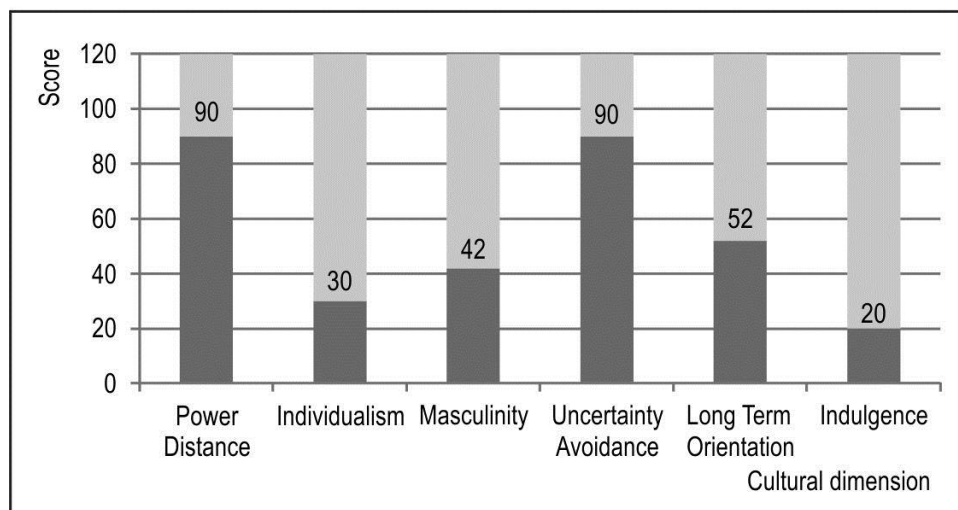
The case of Romania is not easy to address. To scrutinize a culture from inside exposes to the risk of either over-politeness or iconoclasm, while to judge it from outside is difficult because of either getting “lost in translation” or being judgmental (from either a friendly or unfriendly position). The social scientist works with the best accessible object (fellow human being “entities”), although from maybe the most sensitive angle (due to the subject-object superposition, suspected of Heisenberg-type indiscernibility). *Nota bene*: looking only at Boia’s (2012) or Patapievici’s (2014) severely unpopular verdicts, we may notice that both in Romanian elites and in general public there is some sort of educated fear not of myth-busting but of myth-awareness: **historically**, there is little place for original sin in “our” etno(onto)genesis, while **theoretically**, the critical spirit feels rather uncomfortable in “our” market for ideas, where since Maiorescu the “forms” displace and replace the “content”, all this in a *dolce far niente statu quo*. Translating such cultural “software of the mind” in the property rights logic is not at all an easy task, and not only in Romania. For economists and sociologists, philosophers and historians it is not a research project, but a research program.

This final section of the essay is devoted to **a priori** considerations on the link between the cultural values and economic freedom (the unaltered respect for private property rights), in connection with the **empirical** results on Romania from the Culture Compass survey made by the Hofstede Centre and ITIM International. The Hofstedian framework shall not by any means be read as an apodictic response to “how a / our culture looks like?”, but as a relative image in a worldly context, as it was intended from the outset. In his works, Hofstede defines culture as “the collective mental programming of the human mind which distinguishes one group of people from another”, and scores derived from the surveys are mere generalizations based on individuals’ (otherwise heterogenous intra-culture) intercultural comparisons and are meaningful only in the logic of big numbers. It should also be noticed that Hofstedian analyses deal with two kinds of “proxies”: (a) a conceptual one, since “cultural dimensions” are just mental constructs tributary to competing understandings and perceptions, not objective entities; and (b) an operational one, since all data collected there is revealed by discourse, and not effectively demonstrated in action, being passible to various alterations.

**Table 1. Linking the cultural dimensions and the economic freedoms**

<b>Cultural dimension</b>	<b>Economic freedom basic considerations</b>
<b>Power Distance:</b> <i>“the extent to which the less powerful members of institutions and organisations within a country expect and accept that power is distributed unequally”</i>	If inequality / equality is market-based, of meritocratic nature, and enrooted in the mutual respect for property rights, it should not affect the general welfare. But if it is politically-driven (of privilege-conservatism genre), it affects general wealth creation. Analogously, if is redistributive (socially-democratic), it has the tendency to diminish the general standard of living.
<b>Individualism / Collectivism:</b> <i>“the degree of interdependence a society maintains among its members”</i>	Collectivism does not always rhyme with true solidarity and communitarianism, but with “cronyism”, domination of group interest coalitions (inward) and collusions (outward), extended corruption and state capture. And individualism is not always a proof of egocentrism or egoism, but of social commitment to personal liberty, limited government, free markets and peace, a rational basis for the extended cooperative division of labour.
<b>Masculinity / Femininity:</b> <i>“the fundamental issue here is what motivates people, wanting to be the best (Masculine) or liking what you do (Feminine)”</i>	Masculinity favours centralization of authority (which, if loses balance, turns to be counterproductive), and, also, material thrive (which might be disruptive to balanced, sustainable development). Feminine cultures are defined as advocating a somehow more spiritual view, decentralization of command and “rule of law” instead of “rule of man” (a non-gender sense).
<b>Uncertainty Avoidance:</b> <i>“the extent to which the members of a culture feel threatened by ambiguous or unknown situations and have created beliefs and institutions that try to avoid these”</i>	If social change is blocked (by conservatism) by bureaucracy, excessive social protection, capital controls and trade barriers, this discourages entrepreneurial productive risk-taking, favouring public assistance (welfare-statism). The explosion of formal rules do not guarantee conformation if they are perceived as being morally / ethically unfair. Also, if rules are weak and changing, amoral wealth becomes a security buffer.
<b>Long-Term Orientation:</b> <i>“how every society has to maintain some links with its own past while dealing with the challenges of the present and future”</i>	Long run approach is, in a sense, at the core of capitalist philosophy because it is consistent with the accumulation spirit grounded in the loose time preference of the industrious characters. State interventionism aim at undeserved short-term benefits which once institutionalized tend to increase the societal time preference and to shrink the production structure.
<b>Indulgence vs. Restraint:</b> <i>“the extent to which people try to control their desires and impulses”</i>	Tolerance is beneficial if it is voluntarily assumed. If tolerance regarding various social misbehaviours (all these reducible to aggression against persons and property) is cultivated through an unjust system of laws, it is equivalent to coercive restraints.

Source: The Hofstede Centre (<http://geert-hofstede.com/romania.html>); author’s own considerations and representations.

**Figure 1. Cultural dimensions in Romania**

Source: The Hofstede Centre (<http://geert-hofstede.com/romania.html>). *Nota bene*: In the case of Romania, scores are – partially or fully – based on an educated guess derived from data representing similar countries in combination with The Hofstede Centre researchers' practitioner experience, endorsed by Gert Hofstede. *Nota bene*: see, for an extensive presentation of the research methodology, Hofstede (2001), and, for a thorough critique, McSweeney (2002).

Below, these Hofstedian findings for Romania will be briefly discussed in relation to different economic (freedom) features.

### **Power Distance**

The relatively high score (90 out of 120) reveals a fact that our historically-trained and diachronically-shared intuition substantially confirms. Romanians seem comfortable with hierarchies (concept situated in a dichotomist relationship with private-property-contractualist market relations, as portrayed in Coasian-Williamsonian neo-institutionalist approach). We may say that these hierarchies economize entrepreneurial / market costs and offer the either quasi- or literally bureaucratic shelter of a central authority, that gives directions and protection, and in relation to which the inequality is relatively a small price to pay. The relatively “poor freedom from corruption”, “poor freedom of property” (unclear property rights) and “high dependency on public budget revenues” are still heavily present in the post-communist Romanian society (Croitoru 2012) and a perverse combination for they create a perverse dynamic: economic dependency - political freedom diminution. Blatant inequalities (between the politically connected and the rest of the society) subtly

increase, camouflaged by the (unsustainable) promise of reducing inequalities between the hard-working, economically independent, fiscally-expropriated citizens and the mal-incentivized dependants.

### **Individualism**

With a score of 30 out of 120, Romania is considered a rather collectivist society. If defined with respect to family, extended family, organizational entourage or local communities, and if based on sound loyalty and true solidarity, collectivism is not in conflict with liberty and property. But when confiscated by and redeployed in the statist discourse, collectivism in allocation and administration of resources is ruinous (Marinescu et al. 2012). An expressive case-study is that of the “reformed” pension system. In the “social” post-communist Romania, pensions are still not perceived as revenues derived from capitalization, based on individual investing diligence during the active life, but as serfdom-type claims onto the future employed population. Only 4 percent of the employed population of Romania have a facultative (private-voluntary / 3rd pillar) pension account, the rest of the population betting on the “pay-as-you-go” old fashion public component (1st pillar) in combination with the private surrogate (2nd pillar). This lack of individual foresight risks leading to collective hardships in the near future.

### **Masculinity**

Romanian society seems to be a relatively “feminine” society (scoring 42 out of 120), but the epithet is not a sharp one. In such societies, work is done in order to live and competition for personal success and status is less valued relative to harmony, modesty, and quality of life. Organizations are not focused on being competitive, leisure is hailed and social peace is more enjoyed than performance. In a more literal, gender-oriented sense, in Romania women count for slightly more than a third of the total number of entrepreneurs and for slightly less than a third of the managerial positions (ILO 2015), the trend being of improvement, but there is some residual clash between uneducated conservative sexist mentalities and pressures for politically correct parities, both being economically disturbing.

### **Uncertainty Avoidance**

Romanians seem to display a high preference for avoiding uncertainty (scoring 90 out of 120). This verdict seems, regarding some features, not to confirm “by the book” the definition of this cultural dimension: “people have an inner urge to be busy and work hard”, “precision and punctuality are the norm”, “innovation may be resisted”. But in a different key, this fear of uncertainty may be explained through the supplement of unpredictability coming from the institutional environment and confirmed by an EY (2015) survey. According to this study, 49% of the questioned Romanian entrepreneurs

said that the regulatory and fiscal environment worsened as compared to the previous year (while 29% claiming unchanged quality, 20% improvement and 3% undecided). In a broader time-frame, for instance, there were counted more than 200 changes in the Romanian tax laws only in the last decade, but the picture of regulatory erraticism is larger.

### **Long-Term Orientation**

Romania displays a rather inconclusive score (52 out of 120). Bringing this long-term orientation in the business realm, the first aspect that comes into mind is the propensity towards savings and investments. Romanians are neither Germans (rather savings-oriented) nor Greeks (rather consumption-oriented), and their behaviour shows rather sensitivity to economic conjunctures than a clear-cut orientation, although even a brief scrutiny on the banking system (Zaman 2015) may add interesting shades to the problematic of the “credit crunch” complained by the SME sector, somehow “betrayed” by still “too big” interest rates spreads – are banks too greedy and opportunistic because of Romanians’ lack of financial information or are the entrepreneurs’ long-term business plans too unconvincing? But a more visible long-term lack of visions might be found in the ridiculous record of “great infrastructural projects”, sacrificed for short-term collateral rents.

### **Indulgence vs. Restraint**

With a score of 20 (out of 120), Romanian culture looks as one of restraint, which fuels a propensity towards cynicism and pessimism. One aspect that might be read in this sense is the tax evasion phenomenon, refuelled with the chronic poor quality of public expenditure (rampant waste in public acquisitions, for instance, especially in infrastructure projects, but not only there), all this creating a vicious circle of a continuous lowering within the quality of the public goods and services.

### **Partial conclusion**

Romanian society and culture display neither bad nor good exceptionalism, only needing sober diagnosis and realist prognosis regarding its identity and destiny.

## **Conclusions**

This essay sketched an image of the profound relationship that exists between **ideas** (in their broadest, informational-communicational sense), market process (relying on ideas or dedicated to ideas), **ideals** (the ultimate social normatives) and **ideologies** (systems of ideals-ends and of ideas-means), on one hand, and the **logic of property rights**, on the other. The picture we have provided is not “innovative”, but fundamentally “classical” in spirit, emphasizing the centrality of private property rights reasoning with respect to

both the efficient (economic) and orderly (ethical) responses, on which the sustainability of our social setting rest. Economic calculation, sound incentives and non-aggressive interpersonal relations are both fruits and seeds of the culture and order of **private property**.

Specifically, the main considerations brought together in this essay devoted to what has been called “culture of common sense” can be summed-up as follows:

1. The markets (either for “ideas” or for “goods”) rely on the price system, which is an off-shot of an orderly system of clearly defined, strongly defended, and freely disposable private property rights. Coercive interference produces market discoordination, politicization of the civic space (see also Jora and Iacob 2011), conducing to lesser wealth / welfare creation of both “private” and “public” goods.
2. The plea for private property is neither a mystical belief nor a bourgeois discovery, but it is something in-built in the general logic of human action. Ignoring this results in the invalidation of any pretence of reason (it is against common sense to argue against property and liberty since they are prerequisites of decent dialogue!) and historically paved the way for painful social experiments.
3. The recent economic crisis provided an interesting case study about the combination of “neoliberal” deregulation (superficially put at the epicentre of the phenomenon), “subprime” social democracy and “too big to fail” conservatism. The emergence of widespread moral hazard, of irresponsibility, both at the citizens’ and policy-rulers’ level is about cultural options of an i(deo)logical nature.
4. Studying ideas and representations from certain cultures delivers a “thicker” qualitative indicator of the social-economic-political environment than the “thin” quantitative statistical indices. Despite any methodological disputes, commonsensically studying the inter-play of culture – as infrastructure of ideas – socio-economic institutions, and prosperity has inexhaustible research legitimacy.

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