

CONTENTS

ACKNOWLEDGMENTS	xi
INTRODUCTION WHATEVER HAPPENED TO THE COMMON GOOD?	1
Itinerary	5
The Relationship between Society and Economics	7
The Economist's Profession	8
Institutions	10
A Window on Our World	11
The Common Thread	12
PART I	
ECONOMICS AND SOCIETY	
ONE DO YOU LIKE ECONOMICS?	17
What Prevents Our Understanding Economics	17
The Market and Other Ways of Managing Scarcity	24
How to Make Economics Better Understood	29
TWO THE MORAL LIMITS OF THE MARKET	33
The Moral Limits of the Market or Market Failure?	36
The Noncommercial and the Sacred	40
The Market, a Threat to Social Cohesion?	47
Inequality	50

PART II

THE ECONOMIST'S PROFESSION

THREE	THE ECONOMIST IN CIVIL SOCIETY	65
	The Economist as Public Intellectual	66
	The Pitfalls of Involvement in Society	70
	A Few Safeguards for an Essential Relationship	76
	From Theory to Economic Policy	78
FOUR	THE EVERYDAY LIFE OF A RESEARCHER	80
	The Interplay between Theory and Empirical Evidence	80
	The Microcosm of Academic Economics	91
	Economists: Foxes or Hedgehogs?	101
	The Role of Mathematics	104
	Game Theory and Information Theory	109
	An Economist at Work: Methodological Contributions	118
FIVE	ECONOMICS ON THE MOVE	122
	An Agent Who Is Not Always Rational:	
	<i>Homo psychologicus</i>	123
	<i>Homo socialis</i>	137
	<i>Homo incitatus</i> : The Counterproductive Effects of Rewards	141
	<i>Homo juridicus</i> : Law and Social Norms	147
	More Unexpected Lines of Inquiry	149

PART III

AN INSTITUTIONAL FRAMEWORK FOR THE ECONOMY

SIX	TOWARD A MODERN STATE	155
	The Market Has Many Defects That Must Be Corrected	157
	The Complementarity between the Market and the State and the Foundations of Liberalism	160
	Politicians or Technocrats?	163
	Reforming the State: The Example of France	169

SEVEN THE GOVERNANCE AND SOCIAL RESPONSIBILITY OF BUSINESS	174
Many Possible Organizations ... but Few Are Chosen	175
And What Is Business's Social Responsibility?	185
PART IV	
THE GREAT MACROECONOMIC CHALLENGES	
EIGHT THE CLIMATE CHALLENGE	195
What Is at Stake in Climate Change?	195
Reasons for the Standstill	199
Negotiations That Fall Short of the Stakes Involved	206
Making Everyone Accountable for GHG Emissions	213
Inequality and the Pricing of Carbon	222
The Credibility of an International Agreement	226
In Conclusion: Putting Negotiations Back on Track	228
NINE LABOR MARKET CHALLENGES	231
The Labor Market in France	233
An Economic Analysis of Labor Contracts	242
Perverse Institutional Incentives	245
What Can Reform Achieve and How Can It Be Implemented Successfully?	251
The Other Great Debates about Employment	255
The Urgency	261
TEN EUROPE AT THE CROSSROADS	265
The European Project: From Hope to Doubt	265
The Origins of the Euro Crisis	267
Greece: Much Bitterness on Both Sides	282
What Options Do the EU and the Eurozone Have Today?	289
ELEVEN WHAT USE IS FINANCE?	296
What Use Is Finance?	296
How to Transform Useful Products into Toxic Products	298

VIII CONTENTS

Are Markets Efficient?	306
Why Regulate in Fact?	321
TWELVE THE FINANCIAL CRISIS OF 2008	326
The Financial Crisis	327
The New Postcrisis Environment	335
Who Is to Blame? Economists and the Prevention of Crises	350
PART V	
THE INDUSTRIAL CHALLENGE	
THIRTEEN COMPETITION POLICY AND INDUSTRIAL POLICY	355
What Is the Purpose of Competition?	357
Where Does Industrial Policy Fit In?	365
FOURTEEN HOW DIGITIZATION IS CHANGING EVERYTHING	378
Platforms: Guardians of the Digital Economy	379
Two-Sided Markets	382
A Different Business Model: Platforms as Regulators	389
The Challenges Two-Sided Markets Pose for Competition Policy	392
FIFTEEN DIGITAL ECONOMIES: THE CHALLENGES FOR SOCIETY	401
Trust	402
Who Owns Data?	405
Health Care and Risk	408
The New Forms of Employment in the Twenty-First Century	414
The Digital Economy and Employment	423
The Tax System	427

SIXTEEN	INNOVATION AND INTELLECTUAL PROPERTY	430
	The Imperative of Innovation	430
	Intellectual Property	431
	Managing Royalty Stacking	435
	The Institutions of Innovation	443
	Cooperative Development and Open Source Software	447
	And Many Other Debates ...	453
SEVENTEEN	SECTOR REGULATION	455
	What's at Stake	455
	A Fourfold Reform and Its Rationale	456
	Incentive Regulation	460
	Prices of Regulated Companies	466
	Regulation of Access to the Network	471
	Competition and Universal Service	478
EPILOGUE		481
NOTES		485
INDEX		551