

We still live here: Modelling national-cultural communities as contribution good clubs

Trent J. MacDonald[†]

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Extended abstract

Economists rarely examine the cultural or identity aspects of nations, but rather focus attention on defining and measuring ‘national economies’. That is to say there is no economic definition of ‘nations’. Instead, there are economic definitions of the state—which is sometimes conflated with nations via the nation-state nexus—as well as policy prescriptions for national economies and the governments of states, usually based on the theory of public goods.

This paper proposes an economic definition of nations as contribution good clubs. This is to be distinct from the public good justification for certain national state government activities. Rather, it is underwritten by the economics of knowledge generation and national-cultural group reproduction. This occurs in club-like personal associations, which I take to be nations. Of course, there may still exist classical public goods, which might then be provided by state governments; but that is a separate question to that addressed in this paper.

The argument here is simply that (1) national-cultural knowledge is a contribution good, and (2) the cultural entities known as ‘nations’ are contribution good clubs that are (3) distinct from the erstwhile public good providing entities known as a ‘states’ or ‘governments.’ The two approaches—public good versus contribution good—come into contrast when the public good argument is invoked to justify state government intervention to, variously, uphold a dominant homogeneous national culture, or protect and sustain minority cultures. The contribution good argument would suggest that state government intervention is not always necessary for such outcomes, and can in fact inhibit the growth of national-cultural knowledge.

Nations are constituted by their particular national culture. The public good argument hinges on a characterisation of national culture as non-rival: one national-citizen can receive its benefits

[†] School of Economics, Finance and Marketing, RMIT University, 445 Swanston St, Melbourne VIC 3000, Australia: trent.macdonald@rmit.edu.au.

without preventing simultaneous enjoyment by others. In contrast, in this paper national culture is modelled as a contribution game in which spillovers differentially benefit contributors over non-contributors. This turns the game of ‘multicultural nationalism’ from a prisoner’s dilemma into a game of pure coordination, and from a public good into a contribution good.

The contribution good specification redirects attention from the ‘free riding’ problem to the key problem of establishing ‘critical mass’. A club or ‘visible community’ of national-citizens—who contribute to the preservation and progress of the national culture in the process of identifying with and practising it—is necessary to establish critical mass. Consequently, once critical mass is reached the visible community is no longer needed and further growth can be generated as national-citizens contribute to an ‘invisible community’. Thus a ‘nation’ is defined as a self-sustaining national-cultural contribution good club that has surpassed its critical mass.

A dominant national culture therefore does not confront the critical mass problem, and requires no state government intervention to reproduce itself. Yet for the minority national-cultural group—and especially those threatened with extinction and in need of revival—the critical mass problem is imperative. They are confronted with the challenge of assembling a visible community of critical mass, for fear of the national culture disappearing. This is illustrated with case studies of the revival of the language and culture of the Wampanoag people of Southeastern Massachusetts in the United States, and the Yidinji people of Far North Queensland in Australia.

The contribution good model of multicultural nationalism suggests several areas for further research in ‘the new economics of nationalism.’ It provides a new analytical framework for interpreting the evolution of national-cultural institutions and a new approach to multicultural policy. It recognises that national culture is not a purely public good and draws attention to the key problem of establishing ‘critical mass’ in national-cultural contribution good clubs. In this light, public policy should seek institutional mechanisms that address the conditions necessary for visible to form and invisible communities to expand. This means not directly protecting or sustaining threatened minority cultures, and much less upholding already-dominant national ones.

Keywords: nations, cultures, clubs, contribution good.