



COMPETITION BETWEEN CONFLICT AND COOPERATION

Workshop at the University of Freiburg, Germany

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Organization:

Marcel Baumann / Tim Krieger / Bernhard Neumärker
University of Freiburg & Center for Conflict Resolution (CCR)

The workshop aims at exploring a general framework for the social sciences for investigating how competition processes interact with conflict and cooperation. This framework will provide a deeper understanding of social interactions, political reforms, the functioning of markets and political processes in a national, European and even global context. This interdisciplinary workshop is open to social scientists from all disciplines (economics, business, political science, sociology, psychology, law, philosophy and so on) who analyze our main topic using (or referring to) the tools of economic analysis. Authors of accepted contributions are invited to submit their papers (subject to the usual reviewing process) to a special issue of *Homo Oeconomicus* (ACCEDO Publisher, Munich), edited by Tim Krieger and Bernhard Neumärker.

Motivation: Economic theory typically assumes that competition on markets is characterized by peaceful and conflict-free rivalry between actors. At the same time, conflict economists point to potential incentives for at least some market actors to invest in conflict activities with the aim of damaging competitors. Little has been said so far, however, about whether competition itself may either trigger conflict or has an appeasing effect. What is more, economic analysis has yet to provide a clear-cut distinction between competition and conflict. Beyond these positive research issues, normative analysis should be advanced to identify which institutional and regulatory framework could hamper conflict sensitivity of political and economic competition, given its harmful effect on the security of property rights. At the same time, the very same framework should not lead to a massive reduction of competition through extensive cooperation/collusion at the expense of other market actors.

Our point is nicely highlighted with an analogy from sports: Competition may be described as either a “record-type” (e.g., running) or a “struggle-type” (e.g., boxing) game. Economic theory typically assumes competition to be of the first type and hardly concerns with the second one. Conflict theory, which focuses mostly on states of conflict vs. cooperation, has not yet turned to the idea of competition, but may provide useful instruments to answer the question under which conditions (stronger) competition will lead to either conflict or cooperation. In the context of the European financial crisis, this question has gained almost tragic importance: How much sense does it make to demand unprecedented structural reforms from Greece to improve its competitiveness when as a consequence internal (and inner-EU) conflict is rising?

In the same vein, one may ask how firms should organize career paths of their employees if they could lead to productive competition between them, but also to mobbing. Or, under which constitutional rules will we observe competition, cooperation or conflict between sub-national units of federations? These examples also raise the normative question whether there is an optimal mix between conflict, cooperation and competition and how constitutional rules should be set to achieve the optimal mix.