

FORUM

EDITED BY RACHEL CUNLIFFE



Notre Dame donations reveal France's culture of social envy

WITHIN the last week, French people have donated €1bn for the reconstruction of Notre Dame. Most of the money has come from billionaires and large companies.

This has sparked a heated debate in France.

A leader of the Yellow Vest movement, Ingrid Levavasseur, criticised “the inertia of big corporations over social misery while they are showing themselves capable of mobilising a crazy amount of cash overnight for Notre Dame”.

Philippe Martinez, head of France's largest trade union, CGT, said: “Now understand that there are billionaires who have huge amounts of money and in one click put 200m, 100m on the table. It shows the inequalities in this country, which we regularly demonstrate against.”

Such criticism has been widespread. On French breakfast television last week, a guest insulted the Notre Dame donors as “rich bastards”, and even the moderate newspaper *Le Monde* wrote that “too much is too much”.

One of those criticised is the billionaire Bernard Arnault. According to the World's Billionaires ranking, Arnault is the wealthiest man in Europe and the fourth richest man in the world, with assets of €76bn. He was one of the first to promise a large donation – €2m.

He has responded that there is “pettiness and envy in the air”, saying “it is shocking that one is criticised in France when one stands up for the common good.”

Arnault might be shocked, but these reactions could be expected. Last year, for the first time, Ipsos Mori conducted an international survey on attitudes towards rich people for the study “Die Gesellschaft und ihre Reichen” (Society and its Rich People).

One of the questions addressed the motives of rich donors:

“Some rich people donate a great deal of money to charitable causes. In your opinion, what do you personally think is the main reason why people do that? Do they primarily donate because they want to benefit others, or primarily because they want to benefit themselves (e.g. for tax relief, to improve their reputation etc.)?”

In France, only 12 per cent of respondents thought that rich donors wanted to do something good for others – twice as many said they wanted to do something good for themselves.

Among those French people who, according to the survey, have pronounced feelings of social envy, as many as 44 per cent believe that the rich primarily pursue selfish motives with their donations, and only eight per cent saw predominantly altruistic motives.

As a comparison, in Britain, the proportion of respondents in the total population who consider that rich people mostly have altruistic motives is at least twice as high as in France – reaching 24 per cent.

One commonly heard assertion is that the rich only donate because they want to “save taxes”. All this shows is that those who make this claim cannot count.

Rainer Zitelmann



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Even if I could get a tax deduction of 100 per cent on a donation of €100m, eventually I would still have €50m less in my account (based on an assumed tax rate of 50 per cent) than if I had not donated. If the donation was not tax-deductible, the donor would probably have donated less as this effect is already taken into account.

But such concerns about tax avoidance are not the main driver behind the French people's suspicions towards wealthy donors.

The international Ipsos Mori survey, in which dozens of questions were submitted to respondents, showed that the French have a particularly critical attitude towards

rich people. Based on its findings, a Social Envy Coefficient was calculated, making it possible to measure how strong social envy against rich people is in a country.

According to this coefficient, social envy is highest in France with a score of 1.26, followed by Germany with 0.97. It is significantly lower in the US (0.42) and the UK (0.37).

Against this backdrop, the negative reactions of many French people to donations from billionaires are not surprising.

The critics should be asked the following question: would it be better if the billionaires had not donated to Notre Dame's reconstruction?

Ultimately, when someone does good, they should not be judged according to whether they do it for the sake of enhancing their image or whether other motives play a more important role.

Someone can donate for wonderfully altruistic reasons but end up funding meaningless projects, or donate purely for selfish reasons but end up helping people and making a real difference. It is the effect that matters, not the motive.

Those who scorn rich donors should think about whether this antagonism might reduce the willingness of such people to do so. After all, who likes to be insulted for a good deed?

And would either French society or Notre Dame really be better off if these donations stopped coming?

Dr Rainer Zitelmann holds doctorates in history and sociology. He is the author of *The Wealth Elite* and *The Power of Capitalism*.

Want to tackle the scourge of fake online reviews? The market can help with that

THE INTERNET has led to a massive increase in the amount of information available. Often, this is a good thing. For example, shopping around to find the cheapest price for something has become far easier.

But it can have its downsides. A report last week from the consumer magazine *Which* highlighted one such disadvantage. An investigation claimed that the review system on parts of Amazon was being undermined by fake five-star reviews.

The magazine analysed the listings of hundreds of popular tech products in 14 online categories, such as headphones and smartwatches.

Researchers sorted the head-phone reviews, for example, by the average scores of the brands. The first page of results – those with the highest scores – consisted almost entirely of little-known brands, with nearly 90 per cent of the reviews from unverified buyers.

In other words, there was no evi-

dence that the reviewer had ever bought the item in the first place.

Companies like Amazon are well aware of these potential problems. They take steps to try to guard against them. A flurry of very good posts for a less well-known brand is one of the classic footprints which enable fake reviews to be identified.

But *Which* suggested that the volume and variety of fake reviews was so large that the defences are currently being overwhelmed.

A similar problem arose almost from the very start of email, when spam first appeared. Ever since then, a complicated evolutionary game has been played between the spammers and the spam filters.

It is a game because spam wins if it gets through, and the filters win if it does not. It is evolutionary because both sides are constantly adjusting their strategies. The filters seem gradually to be getting the better of it, though I am currently being plagued by emails from China offering to sell me plastic moulds.

Paul Ormerod



The fake review – and more generally the fake news – problem has not been an issue for quite as long, but concern over it is growing.

The instinct of many people is to reach for the law, and in particular to regulate. Set up a body, staff it with bureaucrats who of course have the public interest at heart, and the problem will be solved, goes the logic. The European Commission is a strong proponent of this approach.

But there are already some good illustrations of the private sector reducing what economists describe as “reputation systems failures”.

For example, a 2017 paper by Andrey Fradkin and colleagues at the

MIT School of Management analysed experiments by Airbnb.

A particularly successful one appears to be that of the simultaneous review: both the buyer and seller post their reviews, and only then are they allowed to see what was written about them.

Not all consumers give feedback. Many who have a bad experience do not bother to rate the seller or product – they just stop buying from the platform. Platform providers therefore have a strong incentive to verify posts and encourage real reviews, perhaps using monetary payments to reduce selection bias.

Just as we didn't need to regulate against spam, given time, markets will find solutions to what is currently a pressing problem.

Paul Ormerod is an economist at Volterra Partners LLP, a visiting professor in the Department of Computer Science at UCL, and author of *Against the Grain: Insights of an Economic Contrarian*, published by the IEA.

LETTERS

TO THE EDITOR

Just the ticket

[Re: MPs, stop trying to tout the demise of the secondary ticket market]

For years, fans have been asking for a fairer ticketing industry. There is a lack of transparency in supply when tickets go on general sale, and fans are often hit with extortionate fees to see their favourite artists.

Consumers need choice and to see what's actually available to determine the true market value of a ticket. Transparency is key in order to clean up the mess that is resale, to quote Brian Monteith.

Contrary to common belief, the biggest rise in resellers are what we call bedroom sellers. We are seeing more and more savvy 18-25 year olds, buying four tickets instead of two, so that they can sell the other two to afford going to the gig in the first place.

Resale is needed – and wanted by the fans. Distrust and inflation in ticket prices are results of the fragmentation across primary and secondary ticketing, where nobody really knows what's available and where.

Regulation in resale is necessary to give fans the transparency they deserve, and important improvements have been made to the rules over the past few years. What we need now from the industry is compliance.

Luke Massie, chief executive and founder, Vibe Ticket



BEST OF TWITTER

This morning's new Brexit Party candidates: environmentalist, Afghan vet, charity director, entrepreneur, nurse. This morning's new Change UK candidates: Boris Johnson's sister, two former Tory MPs, that BBC guy and QC who tweet a lot...
@alexwickham

“Take Back Control” – “The Brexit Party” – “Tell them again” etc etc. Response? A Party with three names, no policy platform or philosophy, an apparently temporary leader, candidates no one has ever heard of. What a shambles. What a shambles. What a shambles.
@TheScepticIsle

Easy to be wrong about branding. What looks rubbish can turn out later to be cutting edge – a marketing wiz has exploited some quirk of taste and psychology. But the Tiggers, Change UK, whatever, with their lines logo, two names, and no clear position, have clearly cocked it up.
@iainmartin1

St George:
His dad was from Turkey
His mum was from Syria
He was a Roman
He died in Palestine
He never visited England
He is a Palestinian and Muslim hero for bravely standing up against discrimination and oppression
He didn't kill a dragon
#StGeorgesDay
@JamesMelville

Happy to learn the 200,000 bees kept on the roof of Notre Dame survived the fire...
@holland_tom