ABSTRACT: This article discusses the role of ideology in cultural change. Culture is a set of customary beliefs and values that ethnic, religious, and social groups transmit fairly unchanged from generation to generation and that is organized by an ideology. Ideology is the intellectual dimension of culture. It justifies its set of beliefs, values and norms. Then cultural change is explained by the events that cause dissonance: external dissonance (new information) and internal dissonance (inconsistency and mental experience). Dissonance is defined as a situation where the cost of justification of knowledge crystallized in the values and beliefs transmit from generation to generation becomes prohibitive. The causes of deviance, the demand for cultural change are then to be found in the rising costs of justification i.e. in the obsolescence of the arguments that justify the culture of individuals. This positive theory of cultural change by ideological change is in fine used to renew the theory of punctuated change. Dissonances create a favourable situation to change, without necessity for people to have a clear idea on the direction of this change. It is not necessary to have at the beginning a process of diffusion and convergence around an ideology to prepare the punctuated change. To conclude the article explains why the theory of ideological change can limit the cultural fatalism and resolve the classic circularity between culture – institutional design and development.

Keywords: Culture, dissonance, ideology and institutional change.

1. INTRODUCTION

This article deals with the role of ideology in cultural change. It doesn’t underestimate the plurality of definitions of culture (Kroeber and Kluckhol, 1952), but based on the work of Boyd and Richerson (1985, 2), North (1990, 37) it defines culture as « the transmission from one generation to the next, through teaching and imitation of knowledge, values, and other factors that influence behaviour » (North, 1990, 37). Culture is an informal constraint socially transmitted. It refers to social norms, customs, traditions or religion (Williamson, 2000, p.597). Guiso, Sapienza and Zingales (2006, 2) suggest a very similar definition in which « culture is the customary beliefs and values that ethnic, religious, and social groups transmit fairly unchanged from generation to generation » (Guiso, Sapienza and Zingales, 2006, 2). Three words define culture: transmission, beliefs and values. Based upon this definition of culture we can tackle the issue of cultural change. Cultural change corresponds to evolution of informal constraints, e.g. beliefs and values of a group.

Why do we want to explain the evolution of norms and customs? -1- Because henceforth economic theory accepts that a large part of growth and economic development differentials between countries is explained by the institutions’ quality and -2- because the question to know why some countries adopt good institutions for development should be explained. -3- But also because some countries succeeded in adapting the institutions of capitalism to their culture while others failed.

It is accepted that richer countries have more resources per capita, more human, physical and technical capital because their institutions incite individuals to accumulate (North, 1990, 133-134), and to engage in productive activity and not orient their resources towards unproductive activity (Baumol, 1990). The cultural differences are, in this perspective, considered to be the cause of institutional differences. Beliefs and norms establish the formal institutions (Williamson, 2000, p.597). They explain countries’ economic performance (North and Thomas, 1973, North, 1981, North 2005, Hayek, 1973, 86). Econometric analysis also concludes that property rights which are better defined with better security are favourable for economic growth (Besley, 1995, Keefer et Knack 1995, Dawson, 1998).

The question then becomes why certain countries fail to adopt better definition of rights. Since Adam Smith’s theory of moral sentiments (Smith, 1759, 1999), the market is not purely auto-created, it stems from cultural or normative pre-conditions; “Justice, on the contrary, is the main pillar that upholds the whole edifice. If it is removed, the great, the immense fabric of human society, that fabric which to raise and support seems in the
world, if I may say so, to have been the peculiar and darling care of Nature, must in a moment crumble into atoms” (Smith 1976, 86). The ultimate foundation of formal institutions would be, under these conditions, culture (Williamson, 2000, 597; North, 1990, 7) and in non secular societies, religion. (Annex 1). Some countries fail then to position themselves on their highest production possibilities frontier because they are enclosed within an institutional path which makes costs of specification and securing property rights prohibitive (North, 1990, 7xi). Culture explains the resistance to changes in law aside from-1-the costs of disobedience to norms (Akerloff, 1984), -2- the certitude of reform costs and the incertitude of profit (Rodrick et Fernandez, 1991), -3- the importance of free rider strategies (Frey, 1990, North, 1981, 31xiv) and -4- interests of Statesmen (North, 1981, 34xiii). The resulted institutional breakdown and underdevelopment have cultural origins (Thorbecke, 1993, North, 2005, Chapter 4, II, 68). The first two consequences of this cultural constraint are that cultural change is a condition, on the one hand, for economic development through evolution of law (formal institution) and, on the other hand, of the success of reforms.

The failure of the World Bank’s liberalisation policies in Africa, South America (Rodrik, 2008, p.6) and in some central and eastern European countries during the transition process towards market economy (Coase, 1992, p.714x) is attributed to the non-adaptation of informal institutions to those institutions which were responsible for the economic success of western economies (Pejovich, 1994, 2003, 2008). The third consequence of this cultural constraint is that if culture slowly changes while the political institutions can rapidly change (Roland, 2004), difficulties can appear in the institutional transplantation strategies and a more or less assumed form of what literature refers to as cultural fatalism (Chang, 2007, 25xv; Zweynert, 2009, 347). If institutions originate in immutable determinants such as climate, natural resources endowment and culture, government is impotent. The culturalist thesis then runs the risk of Hayekian anti-constructivism. Culture is a given factor for individual. It is only very marginally the result of a deliberate maximisation choice (Williamson, 2000, 597) and evolves very slowly for this reason. It however possesses a long lasting hold on formal institutions (Williamson, 2000, 597). It blocks evolution which is favourable to economic growth and therefore the material wellbeing of entire generations of individuals. The condition to escape from this dead-end is improvement of our knowledge of cultural change. How do culture change? How do the beliefs and norms of a society and the individuals which compose it change?

Despite the efforts of numerous specialists of the social sciences, the answer to this question remains a difficult question, still largely unexplored (North, 1989, 1324, 1984xii, 1990, 43xiii, 84xiv, 87xv, 2005, 156xvii). Initially ideology interfered at this stage. Understanding institutional change means a better explanation of the role played by ideas and ideology (North, 1990, 86xvi). New ideas were the basic driving force of the human condition (North, 2005, 18-19xviii, 18xix, Hume, 1788, 1972, p.316xx, Keynes, 1936, 1968, p.383xii, Hayek, 1933a, p.121xiii, Sternhell, 2005xviii, Mantzavinos, North et Shariq, 2004, 80, 2009).

The central role of ideology and new ideas in the formation of formal institutions echoed a recent econometric work. Indeed there exist numerous confirmations of the role of government ideology in growth differentials between countries (Bjornskov, 2005, 2008, Bjornskov and Potrafke 2010, Facchini and Melki, 2011), increased public spending (Tellier, 2006), the degree of economic opening (Dutt, et Mitra, 2005), income inequalities (Bjornskov, 2008), the rigidity of employment market, and so on... A country’s political ideology thus became a prominent explanatory variable of classical macroeconomics.


The objective of this article is, in this context, to pursue the ideology of the theoreticians of institutional innovation to better understand the role that it plays in cultural change, in change of belief system. By insisting mainly on the diffusion process, and abandoning the moment of innovation, the institutional theory perceives the long diffusion time and the mobilisation, but abandons the short invention time. It means then developing the different mechanisms which generate change in order to better apprehend the conditions in which a cultural change occurs.
The article is structured in the following manner. It disassociates ideology and beliefs (2). It shows after how cultural change is generated by the appearance of dissonances (3). Its originality is that it describes dissonance as a situation in which the costs of justifying the knowledge, crystallised in the norms and beliefs, become prohibitive. The causes of deviation, of demand for cultural change are then to be found in the increased justification costs, otherwise stated, in the obsolescence of arguments which justify the individuals’ culture. This theory of renewed ideologies at the origin of cultural change is used to bring to light a new manner in which a punctual change appears (4). The article concludes then with the manner in which economic ideology theory can limit the fatalistic bias and bring cultural economy out of the circle culture-law-development (5).

2. DISASSOCIATING BELIEF AND IDEOLOGY TO IMPROVE THE ECONOMIC THEORY OF IDEOLOGY

Economic institution theory puts aside the issue of ideology to focus its attention on beliefs (Aoki 1990, North, Wallis et Weingast, 2010, North, 2005, Grief, 2008). Nevertheless, beliefs and ideology do not however describe the same reality and do not play the same role in the culture of a human group. The positive theory of ideology can convince us of the point (North, 1981, 55xxviii, North, 1990, 23, footnote 23, North, 2005, 16xxix, 14xxx, Denzau et North, 1994).

2.1 Ideology in the theory of institutional change. North introduced the theme of ideology in the theory of institutional change to complete the neoclassical theory of institutional change by relative prices variation (North and Thomas, 1973, North, 1981, 7xxi, 208xxxii, 31).

In the economic theory of institutional change based on evolution of relative prices, once there is a variation in relative prices, individuals adapt themselves. This means that preferences and tastes are stable and indifferent to explanation and that individuals modify their behaviour only because the hierarchy of relative prices changed. Relative prices hierarchy evolves under the effect of exogenous or endogenous shocks. North and Thomas (1973) insist mainly on the demographical factor. Population increase favours the price rise of agricultural products, provokes institutional imbalance and changes which leads to the occurrence of private land holdings.

For that imbalance transforms into institutional changes, it is however necessary that the community reaches a consensus as the diffusion of a new practice requires. Reaching this consensus is very costly (organisation costs) and the benefits are collective (free rider). Ideology is both the mean to obtain consensus (cost of mobilization) and to limit the phenomenon of free rider (North, 1981, Chapter 5 Ideology and the Free Rider, 47xxxii, Ruttan and Hayami, 1984, 205). Ideology limits free rider behaviour because it imposes the sense of collective interest upon individuals. It leads the individual to think further his own interests. Ideology legitimizes change and more generally institution order. Legitimacy is defined as acceptance by individuals of political authority (Gallarotti, 1989). Legitimation is the process by which the beliefs and norms are justified (Mauer, 1971, in Suchman 1995, 573xxxv). It makes the institutions good and desirable. Man produces ideology to limit the contestability of social order and thus reduce implementation costs of institutions and facilitate cooperation. Ideology minimises the implementation costs of norms and laws (North, 1981, 52). It is for these reasons a factor of institutional inertia, because it increases the cost of disobedience and deviance (North, 1981, 52, Dixit, 1998, 43–44). The mainly contribution of ideology at the economic theory of institutions is to introduce the topic of institutional legitimacy into economic theory and allows then articulation of the economy and sociology of institutions which made legitimacy the heart of its theory of institutions (Suchmann, 1995).

2.2. Dissociate Ideology and culture. Then, it is because ideology legitimises the norms and beliefs (culture) that it plays a specific role in cultural change. Ideology is not only belief. Ideology is the intellectual dimension of belief systems. If a political ideology serves to give an “ideal justification” to existing political societies (Loewenstein, 1953, 56, citing M. Billy), it only represents a certain class of belief system (Sartori (1969xxxiii, Friedrich, 1963, 89xxxvii). Justification is ex ante or ex post (false conscience). Ideology is the justifying part of the belief system. Each belief system rests on a base which is ideology. Each ideology is organised around a founding principle (one God, a God incarnated and saviour, solidarity, freedom, efficiency, etc.). Once institutionalised, the beliefs are organised around this idea and do not question the founding idea (Sartori, 1969, 401). Ideology as a particular kind of beliefs is then included into culture. It is not distinct, but plays a specific role therein. This is the point this article tries to discover.

*Figure 1 (Williamson 2000 : 597 - extended)*

Relationship of inclusion and genetic causality between culture and ideology

[Diagram of relationships between norms, ideology (s), institutional environment, government (formal institutions), employment and allocation of resources]
2.3 Conclusion. The thesis of this article is that the moment of shift is when the group’s beliefs and norms are obsolete. Because the group culture becomes problematic for the individual, he chooses to become deviant and breaks away from a part of his culture. To better understand the problematic nature of an ideology, we can refer to the economic perspective of scientific progress suggested by Gérard Radnitzky (1987a, 1987b, 1980). He treats the moment of deviance by insisting on the level of justification costs. We can use his analysis of the “problem of the empirical basis” of a scientific theory to better understand how an ideology, or some of its elements, becomes problematic and some basic statements must be questioned and replaced by a new manner of understanding the world.

3. JUSTIFICATION COST AND GERM OF CULTURAL CHANGE

Culture or informal institutions are crystallised knowledge according to the rules (Hayek, 1960, 27). It enables man to use more knowledge than acquired alone and to widely cross over the frontiers of ignorance by profiting from all the experiences of their group without explicitly experiencing it (Hayek, 1994, 24, Hayek, 1949, 7). It also limits the possibilities (Heiner, 1983), incertitude (Hayek, 1986, 46), ignorance (Hayek, 1986, 15) and also facilitates cooperation (Hayek, 1986, 45) and agent coordination. When a group breaks away from its culture it bears an opportunity cost. It opens to the world of unknown possibilities. It places itself in a more uncertain and less known world. It increases its costs of coordination and cooperation with others. Because of informal institutions have cognitive and coordination functions, they are composed of belief systems and norms which prohibit certain behaviour and define others as normal.

These systems prevent deviation by enforcement mechanisms such as physical violence and/or rules of trust and solidarity, intimidation mechanisms or mind pressure (Akerlof, 1984). Deviance here is understood as being a new inference, a new paradigm or a new way of doing things (Choi, 1999, 256). A deviant man develops an ideology distinct from his group. He sees the world in a different way. He is able to give up the conventional manner of seeing the world (Choi, 1999, 256). Conditions for absence of deviance are -1- the impossibility to question the social construction of the reality -2- the existence of a perfectly efficient incitation mechanism, meaning without transaction cost. A culture is then inert if the knowledge therein is not questioned and if the sanction and reward mechanism makes the deviance costs prohibitive. This is impossible to reach both conditions, on the one hand, because a world without transaction cost is unrealistic, and on the other hand, because human experiences irremediably modify human knowledge of the world.

The culture transmits knowledge. It changes when this knowledge becomes obsolete and when the mechanisms of sanction and reward are imperfects, i.e. when there are transaction costs. The generating factor of change, in these conditions, is obsolescence of knowledge contained in the informal institutions i.e. the increase of justification costs.

3.1 The contribution of Radnitzky’s philosophy of science to the economic ideology theory. Radnitzky (1987a, 1987b, 1980), by applying the theory of rationality in the uncertain universe of the Austrian school (non substantive rationality) to the question of basic statements, allows us to pinpoint this idea and to develop it. The question of cultural change arises, as does the revision of basic statements, from a process of re-assessment of the arguments which support the old world. So, individuals question basic statements or social norms if they become problematic (Radnitzky, 1987a, 185). As long as man considers that a given norm does not create problems, simply because he is so convinced, culture remains inert. This is when a norm becomes problematic that the possibility of abandoning it enters the individual's world of possibilities. Deviance stems from a problematic situation. A norm or belief, like a statement, is non-problematic as long as no concrete reason imposes its revision. Beliefs and legitimate norms are then destined to evolve.
They become illegitimate, unacceptable, when cost to justify them becomes prohibitive. For instance the individual can be convinced that God is the source of all morality. This suggestion becomes unacceptable if the knowledge produced by the holy texts is contradicted by a scientific discovery such as Darwin evolutionism. The individual could believe in real socialism- an economy centrally planned- and in the existence of an alternative to capitalism which is fair and believable, but would have to adjust his stance at the fall of the Berlin wall in 1989. This is when culture becomes problematic that it will be tested, otherwise stated, that individuals will seek to get rid of it because it doesn’t seem to be sufficiently justified to be acceptable. Prohibitive justification costs explain deviant behaviour, e.g. changes of ideology.

### Figure 1
The Germ of change: the increase of justification costs

| Justification costs increase. | Knowledge inside the culture becomes obsolete. |

#### 3.2. Variation in justification costs and mechanisms which generate ideological change.  What is at the origin of the justification cost?

To know this, we must list all the mechanisms which generate the obsolescence of ideologies which have been incorporated to support the common norms and beliefs. These generating factors make the dominant culture illegitimate. Social order, product of the application of norms and beliefs, are perceived as unfair. It is unfair because during exchanges, individual retributions are no longer considered to be in harmony with his contributions. Illegitimacy of the social order originates from a perturbing event. An event is what creates discontinuity in the individual’s life (illness, birth, death, failure, wadding, and so on) or in the life of a community (war, revolution, natural catastrophe, etc.). This disturbing event reduces the credibility of a belief. It creates cognitive dissonance in the sense of Festinger (1957). An event ruptures its cognitive consonance because it is non justifiable without a renewal of the ideology which supports its norms and beliefs. It leads the individual to reconsider his values and beliefs (Brady, Clark et Davis, 1993, 37). Four kinds of event can be at the origin of dissonance: 1- evolution of individual knowledge, and 2- a problem faced during the decision making process, are external dissonances while 3- incoherence of proposed justifications and 4- the possibility of mental experiences, are internal dissonances.

#### 3.2.1 External Dissonance
During the decision process, the individual can face a situation that makes him question the trust he has in his beliefs and norms. New information can also create dissatisfaction. 1) The individual evaluates, for example, the costs and benefits of placing his trust in the Roman Catholic religion. He discovers that the history of Christ, the gospel, and its whole belief system is different from that which he thought. He doubts. This information makes his religious practice problematic. 2) A leftwing militant goes to Cuba. He observes that Communism doesn’t succeed in either wiping out misery or favouring the greater good. This information breaks his cognitive consonance. 3) The 1929 crisis is a typical major event which served as a model for generalised understanding of the crises which followed (Shiller, 1991). The relationship between event and ideological change is nevertheless not automatic. The depression of 1893 has not haven the same effect on the size of state that the Great Depression of 1929, because the classical-liberal ideology was still dominant (Higgs, 1987). The definition of situations as crises has in this perspective a special importance (Turner and Killian, 1972, Chapter 3, 147). Is there an economic crisis? If the answer is yes, there is dissonance.

The more contradictory information circulates and is shared, the greater the probability of ideological crises is (Morin, 1991, 30). Freedom of speech increases, for this reason, the probability of an individual being confronted with dissonance phenomena. This joins the thesis expressed by North (1990, 85) and Morin (1990, 41) according to which democracy and trade favour the expression of deviances, but also their appearance and according to Coyne et Leeson (2008, 3), the media can create institutional changes by cognitive shock. The role of electronic networks in the Arab political movements of 2011 is an appropriate illustration of it.

#### 3.2.2 Internal Dissonance
Internal dissonances are incoherence and mental experiences. Incoherence is an endogenous cause. Knowledge crystallised in the norms and beliefs becomes problematic because the individual discovers that certain norms or beliefs are contradictory. The believer for example is confronted with the paradox of evil which casts doubt on God’s benevolence (Denzau and North, 1994, 25). This lack of coherence of the ideological system places the individual in a situation of dissonance, of crisis in the sense of Denzau and North (1994, 25). In the absence of any new information (media, education, individual experiences), the individual faces with a contradiction. These beliefs are incoherent. The individual is placed despite himself in situation of
crisis. He is hit by a psychological reality which he doesn’t control. The dissonance stems from his own intelligence. This internal incoherence creates tension between the string of selves which makes up his identity (Pizzorno, 1986, 367). It dulls his will to believe and incites him to join a new “circle of reconnaissance” to reduce the provoked incertitude.

Mental experience has the same effect as incoherence. This experience reflects the intellectual dimension of human life. A simple mental experience can provoke cognitive dissonance, a gap between what common ideology imposes as the manner in which to see the world and the ideal which appeared to the individual following his day dreams. There are not always connections between “events” and cognitive dissonance. They are sources of dissonance and variations in justification costs of the world order. They lead the individual to ask himself a critical question. Why do norms and beliefs dictate such behaviour when another world seems possible? These dissonances are the result of an individual’s activity “alone, even solitary, who brings an idea which revolutionises the whole picture of belief or knowledge » (Galilée, St Paul, Jesus and Judaism, Newton, Pasteur, Einstein, Planck, etc.) (Morin, 1991, 34).

Incoherence and the life of thoughts are mental events. These events are not visible but prepare the ideological change. They do not necessarily lead to concrete deviant actions but participate in the formation of a larger and larger gap between the constructed social reality and individual reality, imagination and logic of each individual. We can probably seize this gap from the life of art and artists’ capacity to seize the general atmosphere without necessarily having any political power over the transformation. We can also consider intellectuals as the origin of bringing contradictions in the ideological systems to light because of their knowledge of science, art, philosophy, etc. Edgar Morin (1991, 63, see also Manheim, 1956) speaks of “general intellectual aptitude for decentralising and seeking a meta-point of view in relation to values and reigning ideas”. The intellectual tries to place himself in dissonance. He tries to test the coherence and the quality of motives which incite a group to follow the norms and beliefs which are theirs. He does this because he is pushed by his own particular relationship to the world and because he may obtain the benefit of notoriety. He is one of those individuals who have a taste for transgression, imagination and the conception of a new world (Morin, 1991, 48). Generally these individuals « are natural children, cultural bastards divided between two origins, two ethnocentrism, two types of thought, or the relegated, aliens, exiles, etc. » (Morin, 1991, 49). It is because their cultural heritage is different from the majority that they have a greater propensity for deviance. Migration is, together with democracy and globalisation, a condition favourable for dissonance.

The causes of the deviance is not only the existence of new information, such as political or economic crises, poverty, military conflict, redundancy, an unfair act, etc., but the specific adoption of a critical position with regard to the social reality. This is this position that the control of freedom of expression tries to limit. Dissonance, whatever its origin, questions the basis for acting according to the transmitted norm. It leads the individual to use resources to re-establish cognitive consonance. Dissonance is then at the same time, experienced and provoked. It is provoked because man can seek to go beyond the constructed reality (search for truth, beauty, and/or justice). It is experienced because some events (shocks) make apparent the incoherence, the injustice, the vulgarity and/or the falseness of a system of norms and beliefs. Dissonance is the germ of ideological change.

3.3. Conclusion. Dissonance creates the conditions of change. Dissonance creates a situation in which a part of the beliefs, norms and values that make up an individual’s culture becomes obsolete. The obsolescence of the knowledge inherent to the culture is the condition of an ideological change. This change can give rise either to a partial revision of the previous beliefs or to a total conversion. The European colonization of the countries previously under the control of the Ottoman Empire entails either a revision of beliefs or a conversion to the settler’s values, such as individualism. The Muslim culture is thus jeopardized due to its inconsistency, its failure and the competition with other cultures’ ideals. The ideological change at the origin of cultural change is a means of safeguarding a culture such as the Muslim culture facing the values of the western modernity. Either the Muslims adopt western values, either they adapt their values system to the western values. In the second case, a consensus on a renewed Muslim ideology is required. But in both cases, change follows a period of uncertainty and ideological instability. During this period, individuals seek alternative ideologies because they
wish to recover their cognitive consonance. It is however possible, for instance in Muslim countries, that ideological entrepreneurs try to resist the western modernity by (Denzau et North, 1994, 25). Preserving the Muslim culture requires a revision of the justification system, in other words reinterpreting the holy text to match it with the new facts. It represents a situation of change with continuity. The conversion to the western modernity would rather at the origin of a break down, an ideological change that corresponds to a punctuated cultural change.

The variation of the justification costs gives birth to a situation favorable to cultural change since it modifies the legitimacy of the whole beliefs, norms and values therein. It represents a necessary condition of cultural change but not a sufficient condition because a cultural change requires the presence of alternatives practices that spread inside the group and enough stable to be transmitted from a generation to another. Ideological change does be the germ of change but is not a sufficient condition. The last step of the reasoning is now to connect the ideological at the individual (micro) level with the cultural change at collective (macro) level.

4. IDEOLOGICAL CHANGE AND CULTURAL CHANGE

The theory of institutional change analyses the change on the basis of two criteria. Roland (2004, 110) distinguish between sets of institutions based on whether they change slowly and continuously or rapidly and irregularly. “He termed the former “slow-moving” and the latter “fast-moving” institutions. What is often called culture, including values, beliefs, and social norms, can be classified as a slow-moving institution” (Roland, 2004, 110). Even individual social norms, such as attitudes towards the death penalty or acceptance of corruption, “tend to change rather slowly, possibly because many norms are rooted in religions whose basic precepts have changed remarkably little for centuries and even millennia” (Roland, 2004, 12, 116). Like in Williamson’s model (2000) institutional change is an interaction between slow-moving institutions, culture in particular, and fast-moving institutions such as political and legal institutions (Roland, 2004, 118). The theory of emergence of ideas by dissonance can be integrated into this general problematic.

4.1 Time of diffusion, mass effect and time of cultural change. A slow and continuous change of ideology can prepare a cultural change. A change in ideology only gives rise to cultural change because the agents’ beliefs about the manner in which the game is altered by a mass effect (Aoki, 2001, 231). Experimentation of new practices and imitation appear as the two great processes of transformation of informal institution. Gabriel Tarde in his book Les lois de l’imitation (1890) suggests a theory of inter-subjective propagation of ideas from the notion of imitative radiation. The game theory (model of informational cascade (Aoki, 2001, Grief, 2005, 2008) and the evolutionist trial-error models (Hayek’s theory of cultural change) also explains how new ideology spreads. Then, the cultural change is continuous or punctuated. The secularization in Europe is a good example of continuous change. The French Revolution is an example of punctuated change prepared by an ideological revolution (French Lights). A majority, or at least a very large minority, more or less enlightened identified the flaws of the political regime, the limits of a certain religious practice and the benefits of the scientific mind (Mornet, 1933, 2010, 1). Ideological revolution prepared the masses for change and gave it its direction. The first contribution of the theory of justification cost is to define the necessary condition of cultural change, the dissonance. The sufficient condition is mass effect.

4.2 Generalised dissonance, mass effect and time of cultural change. The second contribution of the theory of justification costs at the theory of cultural change is to define a scenario where there is mass effect without diffusion step by step. It is because the social construction of reality became problematic that the individuals try to change ideology and in fine culture. Passing from the individual level to the collective one generally takes place through a step by step process of diffusion in the population of a new way of perceiving the world. The dissonance theory accounts for the starting point of the cascade. An event creates a dissonance that leads to a deviance that spreads more or less slowly in the group. The contribution here is to specify the conditions of occurrence of the deviance. However the dissonance theory allows also to consider an other situations. It specifies two assumptions made by Williamson (2000): the importance of great events and window opportunities in institutional change.

The “great events” are civil wars (the glorious revolution of England of 1688), occupation (following the Second World War) perceived threats (the Meiji Revolution), ruptures (Eastern Europe and the ex Soviet Union), military coups (Chili) (Williamson, 2000, 598). 1929 is not only a crisis. It is Great Depression. Why is it a Great Depression? The event is great because it is difficult for the individual to ignore it. A great event creates a situation of generalized dissonance. It places a large number of individuals at the same time and in the same place in dissonance. As opposed to the isolated dissonance, the generalized dissonance provoked by the great event entails a demand for revision or conversion of a huge part of the population. Either the great event
confirms an other existing ideology and falsifies the group’s ideology or it fosters an ideological emptiness. The dismantling if the Ottoman Empire confirms the capitalist alternative at the expense of a model of generalized rent seeking (Facchini, 2011). In the absence of appropriate alternatives, individuals experience a situation of ideological emptiness. The social reality becomes problematic without any other convincing ideology. Any imagined worlds become, on the other hand, possible as part of the social reality is de-constructed. It no longer makes sense. It can be replaced by another reality. The speed with which dissonance can make individual mental models obsolete then explains why there are punctuated changes where institution entrepreneurs have the possibility to impose their choices in a hurry. In the presence of generalised dissonance without alternative, this is not necessary that individuals agree over what they don’t want. They know from material or mental experience that part of their knowledge is obsolete and that they must substitute it with another. They are ready to experiment new possibilities because the solutions they have accepted until then have been shown to be bad representations of the reality. This is not necessary that there is a consensus. There must, on the other hand, be a crisis and this is experienced as such by the greater number and at the same time. At these moments in history, men incarnate change and use their imagination and their creativity to build an alternative world. Their ideology will impose itself as the solution although it was not at all diffused before they took over power. In this perspective, the unclear Williamson’s expression of “opportunity window” makes sense (Williamson 2000, 497). These “opportunity windows” are favorable to prominent social changes since they offer opportunities for the ideological and political entrepreneurs to experiment new ideologies that can turn out to be positive and lead to a cultural change.

The revolutions of October 1917 and the arrival of Maoism in China provide good examples of this type of change. They were not prepared by diffusion of an alternative ideology, but by misery and strong ideological instability. It was satisfied by the advent of Chinese communism. This Communism was a Chinese version of Leninism. It justified the reforms by guaranteeing a policy of grandeur (nationalist ideology) and the agrarian reforms (Schram, 1963, 39 cited by Yong, 1992, 396). The masses then accepted the acculturation and indoctrination not only because it was already convinced (Yong, 1992, 396) but because they were ready to experiment another institutional system, another game. The revolution of 1917 is not a revolution of a group of conspirators. It was supported by the population’s dissatisfaction with regard to the institutions which governed the Tsars’ Russia (Carrère d’Encausse and Schram (1970, 17)). A form of Communism imposed itself and determined the institutional trajectory and the content of the Soviet propaganda during almost a century in Russia. Cultural evolution can then be slow and progressive (incremental model) or punctuated.

With Arab Revolutions in 2011 we have a similar case. The problems in the Muslim world are numerous: poverty, low, education, unemployment, inequality, lack of health policy, low purchasing power, and so on. All the problems create potentially dissonances and can explain the social movement. “Times of severe crisis, as experienced by Islamic societies and communities today, should lead Muslims to question prevalent assumptions and challenge existing institutions that have failed to deliver on the promise of liberalisation and development” (An-Na Im, 2008, 27). These problems explain the revolution. The revolution is, nevertheless not prepared by a new ideological consensus. The Arab revolutions creates, in this sense, an “opportunity window” to change the institution and in fine the culture. The Muslim culture is jeopardized. There is inconsistency, failure and competition with other cultures’ ideals. There is a strong ideological instability. Conservative Islam rejects the West and wishes to defend the patriarchal model of traditional Islam based on community values, authority, and stability. Reformist Islam wishes, rather to reaffirm the modernisation of faith together with Westernism (Facchini, 2011). The situation is open and generates a process of institutionalisation of new ideas by ideological entrepreneurs like Muslim Brothers, or tenants of secular state in Muslim countries Muslim, who perceive the opportunity to change institution and in fine culture. It is a top down process but also bottom up, because without the conditions of ideological crisis no revolution would have happen. The dissonances created the conditions of change, but do not explain consensus. The direction of change will be give by the group of ideological entrepreneurs which will capture the power. The consensus and the mass effect will come of the success of reforms. If the success of reforms is rapid, the cultural change will also be fast.

So, ideological crisis leads a cultural instability as long as a new ideology is not crystallized in a new set of beliefs, norms and values. It is however possible to have situations with experimentation, success and stabilization. Ideological consensus change is thus fast since it does not need to spread and the rhythm of cultural change is accelerated. It means that consensus is necessary for cultural change, but that step by step process to obtain this consensus is not necessary. The success of reform can play the role of an evidence. The condition to have a cultural change, in this condition, is to implement successful reforms. It is however necessary that individuals perceive a problem, in other words, the justification costs of the previous system become prohibitive. The main condition of cultural change is the underlying condition of justification. That is not the condition of success since the new experience can turn out to be a failure. Thus the elite of a country cannot provoke a change
without creating a generalized dissonance. A change in formal institutions does not require necessarily a new ideology but the abandon of the previous one. The “mass effect” can advent after the event and not before.

5. CONCLUSION

The culture is marginally the result of choice. It is ideology as intellectual dimension of culture, that something is the result of choice. Individual inherits of culture, but it is always capable to change his ideology and in fine their beliefs, norms and values. All the beliefs, norms and values transmit by the group are not justify without ideology. Culture is organized by ideology. Ideology is in this sense includes in the culture and has a particular role. It justifies the beliefs, norms and values and founds action (respect the rules of game). Ideology explains culture because it gives the good reason to follow the rules of game. Ideology gives the place of cleverness. Any variation in justification costs is a potential carrier of evolution of the practices. Ideology is then a genetic cause of culture (Mayer, 1932, in Kirzner, 1994, Cowan et Rizzo, 1996).

To define the locus of choice in culture, the economic theory of ideology permits to exit from the problem ‘of the chicken and the egg’ which characterises the relationship culture-law-development (Voigt, 1993, Chang, 2007, p.27, Hayek 1973, 1980) from the book L’esprit de lois^liv de Montesquieu (1758, Livre XIX). Only the human mind has the capacity to imagine future unreal worlds but susceptible to become real if men have the will to believe and create them. At the beginning, there is always the individual’s perception of dissonance. This dissonance originates either internally or externally, but it is the germ of change. It causes evolution of mentalities and in fine the institutions which surround productive or unproductive entrepreneurial activity. The new idea also gives the direction of change.

Re-introduction of ideology in the theory of cultural change also has the effect of limiting the range of fatalist bias because it describes the conditions of transformation of culture.

Norms and beliefs which represent the culture are respected because they are legitimate, comprehensible and coherent. In this sense there is no fatalism. It is only necessary that a suggestion for change be believable and answer individuals’ expectations. It must use a valid argument capable of persuading the greatest number. To break away from fatalism it suffices then to imagine how a coherent speech, critical of existing norms and beliefs, can provoke exchange. The change must be perceived as being positive, that the justification costs of the old norms be prohibitive, that the deviants can express themselves in opposition to the guarantors of status-quo and that the cross-cultural dialogue be intense. There is no fatality because human intelligence creates the conditions for man to progress toward truth, good and new ways of serving their interests. The class of deviants appeared then as a remarkable generating factor of change. We can compare this with the theory of the creative class of Richard Florida (2005).

The future of new institutional economics is then to effectively recognise the way in which ideas and ideology determine economic change and performance (Mantzavinos, North et Shariq, 2004, p.80, Tan, 2005, 175). This article tried to contribute to this research programme.
REFERENCES


Chang, H-J. (2007). Understanding the relationship between institutions and economic development – some key theoretical issues”, in H-J. Chang (eds), Institution Change and economic development, Foreword by Deepak Nayyar.


ANNEX 1

Culture now occupies a very important place in the theory of institutional change of the new institutional economics (North, Williamson, Ostrom). The institutions are the rules of the game. They are formal and informal (North, 1991). They are generally defined as being sanction and reward system. They create constraints upon individuals’ choices and transform in practice. The formal institution par excellence is the law. It is defined and implemented by the State. Informal institutions are defined by the culture. The culture is a reflection of social norms, customs, tradition and/or religion (Williamson, 2000, p.597). Culture is the ultimate foundation of formal institutions, laws (Williamson, 2000, p.597). Greif (2008) uphold also that they are the cement which holds the formal institutions together. Figure 1 derived from Williamson (2000, p.597) models this thesis simply. At the origin of the evolution of laws there is cultural evolution. Culture possesses a durable hold on the formal institutions (Williamson, 2000, p.597). It slows evolution of institutions nevertheless necessary for improving a country’s economic performance and is responsible for the failure of a certain number of reforms.

Figure 1

Institutional economics (Williamson 2000 : 597)

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1 Kroeber and Kluckholm (1952) examine over 150 definitions of culture, divided into 14 categories, to show that they emphasize quite different characteristics ranging from the society’s artefacts and material traits to beliefs, social forms, psychological orientations, symbols, values, and/or norms, social structure and behaviour (Pryior, F.L. (2007, 821). “Culture and Economic Systems”, *American Journal of Economics and Sociology*, vol. 66, Issue 4, 817 – 855.

II It is commonly assimilated to informal rules (North 1990), that is to say social norms, customs, tradition and religion (Williamson, 2000, p.597). It is a complex framework of symbolization of habits and customs that makes human behavior predictable for all the members of a same (ethnic) group or a same nation.

III "This story of the Soviet Union is a story of altered policies institutions beliefs perceived reality and on and on. The keys to the story are the way beliefs are altered by feedback from changed perceived reality as a consequence of the policies enacted, the adaptive efficiency of the institutional matrix and the limitations of changes in the formal rules as correctives to perceived failures” (North, 2005, 4).

IV Econometric analysis concludes that better specified or less attenuated property right and the rule of law are associated with higher economic growth rates.

« Justice, on the contrary, is the main pillar that upholds the whole edifice. If it is removed, the great, the immense fabric of human society, that fabric which to raise and support seems in the world, if I may say so, to have been the peculiar and darling care of Nature, must in a moment crumble into atoms” (Smith 1976, 86).

VI « In North and Thomas, 1973), we made institutions the determinant of economic performance and relative price changes the source of institutional change. But we had an essentially efficient explanation; changes in relative prices create incentives to construct more efficient institutions. (...) In *Structure and Change in*
Economic History (North, 1981) I abandoned the efficiency view of institutions. Rulers devised property rights in their own interests and transaction costs resulted in typically inefficient property rights prevailing. As a result it was possible to account for the widespread existence of property rights throughout history and in the present that did no produce economic growth” (North, 1990, 7).

viii “The increasing returns characteristics of an institutional matrix that produces lock-in come from the dependence of the resultant organizations on that institutional framework and the consequent network externalities that arise » (North, 1990, 7-8, see also Chapter II, Part II, The path of institutional change).

viii “The costs to the individual of opposing the coercive forces of the State have traditionally resulted in apathy and acceptance of the state’s rules, no matter how oppressive” (North, 1981, 31).

viii “The state will encourage and specify efficient property rights only to the extent that they are consistent with the wealth-maximizing objectives of those who run the state ».

Coase, R. (1992, 714). “The value of including […] institutional factors in the corpus of mainstream economics are made clear by recent events in Eastern Europe. The ex-communist countries are advised to move to a market economy […] but without the appropriate institutions no market economy of any significance is possible.”

viii “And as institutions are seen as being determined by immutable (or at least very difficult-to-change) things like climate, resource endowment, and cultural tradition, these patterns become almost impossible to change, which introduces a « fatalist » bias in the argument » (Chang, 2007, p.25).

NIE explains only changes in secondary institutions and not changes in such fundamental systems of values such as ideology, religious beliefs, etc. (Grabowski, R. (1988, 388).

xiv “Moreover, as briefly noted in the previous section, change in norms of behaviour, while certainly influenced by relative price changes, are also influenced by the evolution of ideas and ideologies” (North 1989, 1324).

xiv “However norms pose some still unexplained problems. What is it that makes norms evolve or disappear – for example, duelling as a solution to gentlemanly differences?” (North, 1990, 43).

xiv “Rather, I would like to explore the much more troublesome and more difficult problem of changes in tastes” (North, 1990, 84).

xiv “How do informal constraints change? Although we are not yet able to explain precisely the forces that shape cultural evolution, it is obvious that the cultural characteristics of a society change over time and that accidents, learning, and natural selection all play a part “(North, 1990, 87).

xiv “The degree to which such heritage is « malleable » via deliberate modification is still very imperfectly understood. At any time it imposes severe constraints on the ability to effectuate change” (North, 2005, 156).

xiv “In turn, improved understanding of institutional change requires greater understanding than we now possess of just what makes ideas and ideologies catch hold” (North, 1990, 86).

xiv “Despite the fact that uncertainty associated with the physical environment has been radically reduced the residual that leads to non-rational beliefs plays a major role in the world today as it has all through history. The history of and the widespread belief in religions is illustration. Religious beliefs systems such as Islamic fundamentalism have played and continue to play a major role in shaping societal change; but equally significant is the critical role of secular ideologies and belief system in decision making, as the rise and decline of the Soviet Union so vividly illustrates” (North, 2005, 19).

xiv “As for changes in beliefs, it is finally ideas and their creation which for good and sometimes for evil are the fundamental driving force of the human condition and are the major focus of this study » (North, 2005, 18).

xiv “Quant aux modifications des croyances, ce sont en définitive les idées et leur création, qui pour le meilleur et parfois pour le pire, sont la force motrice fondamentale de la condition humaine et le sujet principal de la présente étude » (North, 2005, p.36).

xiv “As no party in the present age, can well support itself, without a philosophical or speculative system of principles, annexed to its political or practical one ; we accordingly find, that each of the factions, into which this nation is divided, has reared up a fabric of the former kind, in order to protect and cover that scheme of actions, which it pursues ». Hume D. Political Essay, édités par Knud Haakonssen, Cambridge, Cambridge University Press, 1994, p.186, essai 23.

xv "The ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed the world is ruled by little else. Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of some defunct economist. Madmen in authority, who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back. I am sure that the power of vested interest is vastly exaggerated compared with the gradual encroachment of ideas” (Keynes, 1936, 383).

xviii "The views at present held by the public can clearly be traced to the economists of a generation or so ago. So that the fact is, not that the teaching of the economist has no influence at all; on the contrary, it may be very powerful. But it takes a long time to make its influence felt, so that, if there is change, the new ideas tend to be swamped by the domination of ideas which, in fact have become obsolete".
II. It convient encore de dire que sous-estimer la force des idées est une erreur non seulement commode, mais aussi fort commune. Les idées incitent les hommes à l'action et quand même il ne s’agirait que de la rationalisation de pression psychologiques ou sociale ou de processus économique, les constructions intellectuelles acquièrent rapidement une puissance qui leur est propre et deviennent des forces politiques autonomes ». (Sternhell, 2010, p.71).

xxiv Dans le livre de North (2005) le mot idéologie n’apparaît plus dans l’index par exemple. North (2005, 5) assimile, de plus, idéologie et croyance. « Just what is it that we are trying to model in our theories, beliefs, ideologies ? The pragmatic concern is with the degree to which our beliefs accord with reality”. Shelling, T. (1978) shows how patterned social behaviour can arise as the unintended consequence of repeated local interactions among agents following simple behavioural rules.

xxv Damasio, A. (1994) défend l’idée que l’être rationnel n’est pas coupe de ses émotions. Le cerveau qui calcule est aussi celui qui pleure.

xxvi “I, his later works, and especially in Understanding the Process of Economic Change (2005), the evolution of a society’s institutions is above all a function of changes in the dominant belief system” (Zweynert, 2009, 340).

xxvii “Second, that while the development of a positive theory of ideology is necessary to resolve the free rider dilemma (and such resolution is essential to further development in much of social science theorizing), it is equally necessary for further development of theory to account for non market-resource allocation; and it is essential in explaining a great deal of secular change” (North, 1981, 55).

xxxi “If ideology is linked to ‘beliefs’, it is readily apparent that the general class is “belief system”, and that ideology is the narrower conceptualization. Property speaking “a person’s belief-disbelief system is really a political-religious philosophy-scientific-et cetera system”, i.e: a total and diffuse framework; whereas ideology indicates only the political part of a belief system” (Sartori, 1969, 400).

xxiii “I am discussing the values inculcated by the family and by schooling that lead individuals to restrain their behaviour so that they do not behave like free riders” (North, 1981, 46).

xxiv “In our view, the supply of institutional innovations is strongly influenced by the cost of achieving social consensus (or of suppressing opposition)” (Ruttan et Hayami, 1984, p.205).

xxv “A belief is neither an opinion nor an idea. Opinions include and characterize the more ephemeral and superficial level of discourse, and can be safely set aside, therefore, with reference to belief systems. On the other hand, in the strict sense ideas are thought of, they typically belong to the more self-conscious dimension of discourse, to reasoning and theorizing. If the sentence is understood cum grano salis, beliefs can be defined as “ideas that are no longer thought, to signify that beliefs are idea-clusters that routinize the cost of decisions precisely because they are taken for granted” (Sartori, 1969, 401).


xxviii “Many of the institutions on which human achievements rest have arisen and are functioning without a designing and directing mind (...) and that the spontaneous collaboration of free men often creates things which are greater than their individual minds can ever fully comprehend” (Hayek, 1949, p.7).
Each deviant, however, represents a new inference, a new paradigm, and a new way of doing things. ... A deviant, an individual with a different perspective may see something of significance where conventionalists see none, or recognize the possibility of new combinations that the majority with their conventional blinders neglect” (Choi, 1999, 256).

“Cognitive dissonance is defined as psychological discomfort or annoyance that may exist when an individual’s choice is not consistent with his values and beliefs. Dissonance may cause an individual to reconsider values and beliefs, enter new choices with different parameters, react to constraints, or change their individual preference function. For example, when an individual who believes strongly in the importance of a healthy lifestyle chooses to smoke and is exposed to anti-smoking information, he may experience dissonance and change his behavior” (Brady, G.L. Clark, J.R., Davis, L.D., 1993).

Gradual evolutionary change and the incorporation of new elements also can endogenously generate a crisis for a different reason. The basis for this crisis would be the discovery of a lack of logical consistency in the ideology, or the discovery of a new set of implications which are viewed as disturbing by adherents of the ideology... Many individuals can understand the inconsistency among 3 statements, e.g; God is desirous of humans living in happiness, God is Omnipotent, and evil exists and make human unhappy. These three statements, interpreted naturally, result in a logical inconsistency that been termed the Paradox of Evil” (Denzau and North, 1994, 25-26).

As Schram (1963, 69) said. Mao’s road can thus be summed up as revolutionary welfare waged in the countryside, and supported by the population on the basis of the double appeal of nationalism and agrarian reform”. Schram, S.R. (1963). Mao Tse-stung, New York: Prager Publishers.

« The Bolshevik revolution is not a simple coup d’Etat, but a revolution to which the Russian People, in particular the peasantry made contributions » (Carrere d’Encausse and Shram (1970, 17).