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From Homo oeconomicus to Homo symbolicus



Nicolò Bellanca

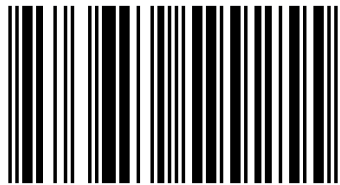


**Nicolò Bellanca**

Nicolò Bellanca, Ph.D. in History of Economics, is associate professor in Applied Economics at the University of Florence (Italy), where he teaches Development Economics and Economics. He authored eight books, and published several articles and chapters in many books and journals.

# From Homo oeconomicus to Homo symbolicus

When the choices are incomparable, indivisible,  
relational and passionate



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Bellanca

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*This book is dedicated to my students*

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## Preface

This short book concerns a research project that is still in progress. The overall sense of this research is captured by the book's title: *homo oeconomicus*, as the subject of economics, should be abandoned in favor of *homo symbolicus*. More precisely, *homo oeconomicus* can stay on the scene as long as human choices are simple. However, when choices have to deal with incomparability of the alternatives, indivisibility of the goods, an intrinsically relational situation, and passions that overwhelm her/him, then *homo symbolicus*, defined as a social actor shaped by the culture of which s/he is surrounded, occupies the center of the stage.

To introduce this approach, I note that a common feature to the large part of today's economics consists in some forms of methodological individualism. I define methodological individualism as the approach according which «all knowledge about social phenomena can, at least in principle, be stated in terms of individuals: Social concepts can be defined in terms of individuals, social phenomena explained in terms of individuals, and macro-theories reduced to microtheories» (Udehn, 2002: 498). Figure 1 recalls the richness of articulations expressed by this research tradition.

Definition of social concepts	Explanation of social phenomena	Reduction of social laws
Social concepts should be <i>defined</i> in terms of individuals, their physical and psychic states, actions, interaction, social situation and physical environment.	Social phenomena should be <i>explained</i> in terms of individuals, their physical and psychic states, actions, interaction, social situation and physical environment.	Social laws should be <i>reduced</i> to laws about individuals, their physical and psychic states, actions, interaction, social situation and physical environment.

**Figure 1: The methodology of the individualistic research tradition**

Source: Udehn (2002: 499, my adaptation)

For my purposes, a first weakness of almost all the versions of this approach lies in rejection of the use of “collective” terms in the study of society, i.e. those terms which designate groups of individuals, or attributes characterizing these groups collectively (and not distributively). However, for example, well-being is not simply “living well”, but it is even more “living well together”; where the latter does not arise from, and cannot be explained by the mere aggregation of individual behavior (Deneulin & McGregor, 2010). The idea that some of the “collective” terms should not be defined by “individual” words, does not imply any metaphysical holism, according to which collective terms designate absolutely emerging social totality, rather than their individual constituents. On the contrary, a fruitful recent strands of literature – such as those on collective rights (Jones, 2014), shared agency (Roth, 2011) or agency team (Gold & Sugden, 2007) –cannot be classified nor within the argument that the ultimate constituents of the social world are the individuals, neither within the organicistic opposite thesis.

The second weakness of methodological individualism on which I draw the attention, is the idea that individuals interact in social life as independent “entities”, i.e. that relationships are exterior to, rather than constitutive of, the subject. On the contrary, according to a genuinely relational perspective, «the very terms or units involved in a transaction derive their meaning, significance, and identity from the (changing) functional roles they play within that transaction. The latter, seen as a dynamic, unfolding process, becomes the primary unit of analysis rather than the constituent elements themselves. [...] Individual persons, whether strategic or norm following, are inseparable from the transactional contexts within which they are embedded» (Emirbayer, 1997: 287). Relationships are not something that an individual “has”. People become who and what they are in and through their relatedness to others. «The fiction of individuals not yet involved in social relations but originally knowing what their interests are and what the consequences of their choices can be is discarded in favor of a view in which the interaction between persons mutually recognizing their right to exist is the only originally conceivable reality. No pre-established interests are imagined. The individual human agent is constituted as such when he is recognized and named by other human agents»

(Pizzorno, 1991: 220). Figure 2 presents some important implications of this view for an alternative conception of the subject of economics.

Feature compared	Independent	Interdependent
Definition	Separate from social context	Connected with social context
Structure	Bounded, unitary, stable	Flexible, variable
Important features	Internal, private (abilities, thoughts, feelings)	External, public (statuses, roles, relationships)
Tasks	Be unique Express self Realize internal attributes Promote own goals Be direct; "say what's on your mind"	Belong, fit-in Occupy one's proper place Engage in appropriate action Promote others' goals Be indirect; "read other's mind"
Role of others	<i>Self-evaluation</i> : others important for social comparison, reflected appraisal	<i>Self-definition</i> : relationships with others in specific contexts define the self
Basis of self-esteem*	Ability to express self, validate internal attributes	Ability to adjust, restrain self, maintain harmony with social context

\* Esteeming the self may be primarily a Western phenomenon, and the concept of self-esteem should perhaps be replaced by self-satisfaction, or by a term that reflects the realization that one is fulfilling the culturally mandated task.

**Figure 2. Summary of key differences between an independence and an interdependent construal of Self**

Source: Markus & Kitayama (1991: 230)

In Chapter one I intend to rethink and to reinforce the arguments that criticize the mainstream version of the rational choice theory. I begin asserting that a fundamental anthropological condition of the choice is the incomparability of many alternatives and that in these situations the subject chooses without being able to give any adequate comparison judgments. Then I show that these choices, even if not deriving from any rational processes, and not being measurable in terms of utility, can be made for "good reasons". Such incomparability roots in the polytheistic condition of the subject, in which numerous action criteria coexist conflicting with each other. I also elaborate a conceptual framework to investigate the cases in which more institutional logics are combined. In the last part of the Chapter, rethinking the theories of Richard Thaler and Viviana Zelizer, I try to propose an explanation of the presence and diffusion of "special currencies" in economic life circuits.

In Chapter two, drawing inspiration from some little-known Mancur Olson's writings, I dedicate myself to social indivisibilities. These are at the core of economic theory because rarely individuals can or want to limitlessly divide goods, inputs and

activities, as well as related economic phenomena such as economies of scale, externalities and public goods. Indivisibilities help in explaining conflicts over social objects which lose much or entirely their value if they were divided. In this Chapter I focus on the development of those conflicts: on situations in which a player is fighting for the right to keep her/his opponent out of the exclusive access to the object. I examine the way the contending subjects need a Third player able to enforce the law and questioned whether this Third player would contemporarily satisfy her/his own interests. I argue that an object featuring non-rivalness is the only one manifesting an indivisibility that, although undivided, does not promote the conflict. Hence I suggest that a form of non-rivalness is a collectivity's imaginary, which relies in the partition between the sacred space – wherein the collectivity is placed – and the profane sphere. This form allows the group to recognize, reduces conflicts within the group, but at the same time transfers the conflicts on the indivisibilities to the relationship the group has with external and extraneous groups.

In Chapter three, drawing on actual reinterpretation of Mauss's classical essay on the Gift, I examine four ideal-typical forms of gift which recur in the socio-anthropologic literature, and theoretically analyze them under relevant contemporary phenomena. *Kula* – as reciprocity gift –, *Potlach* – as competitive gift –, *Hau* – as non-returnable gift – and *Dan* – as asymmetrical gift – do not have in common something that allows us to use the same term for all, however they are tied to each other in many different ways. There is a complicate net of similarities that overlap and cross one another. According with this perspective the 'gift' appears as a polysemic concept: it is a crucial tool in the understanding contemporary societies, cultures and economies as well as useful starting point for a new dialogue between anthropologists and economists.

Finally, in Chapter four I argue that the Platonic notion of thymòs – denoting the human need for recognition – triggers off the most powerful and overwhelming human passions. Indeed, any action originated and nurtured by thymòtic passions places its own *raison d'être* in itself. The acts motivated by thymòs can either improve or (even) worsen someone's wellness: they do not entail any payoff in the present or future, and their nature is not influenced nor mitigated by monetary incentives. Moreover, it follows that since identity is based on the others' recognition (both individuals and social groups), then indulging with thymòtic passions and

building up someone's own identity are exactly the same process. Indeed, thymòtic passions are identitarian passions. This Chapter argues the relevance of the thymòtic approach. I propose a conceptual framework that is useful in order to study and interpret these peculiar forms of human action. I also point out the social and "environmental" conditions that stimulate their appearance.

Earlier versions of Chapters were previously published, and I would like to acknowledge that a paper which became Chapter one first appeared (in Italian) on *Partecipazione e conflitto* (n.3, 2009: 123-146), and that paper which became Chapter four first appeared, co-signed with Giancarlo Pichillo, on the *International Review of Economics* (vol. 61, n.1, 2014: 13-38). I would like to thank Vittorio Emanuele Ferrante for his important support in the preparation and writing of the third paragraph and of the Appendix of Chapter one. I would also like to thank Matteo Aria, Stefania Innocenti, and Giancarlo Pichillo for discussing and collaborated on, respectively, Chapters one and three, two, and four. I am grateful to Angelo Antoci, Simone Bertoli, Luigino Bruni, and Fabio Dei for their comments and suggestions. Any imperfection is mine.

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## *Chapter one*

### *The polytheistic condition Incomparable assets and special currency*

#### **1. Incomparable assets and special currency**

A classical subject of social sciences focuses on the capitalism propensity to commodify and monetize any area of human activity. Authors putting forward their arguments against the universal establishment of this tendency usually invoke the heterogeneity of individuals and groups, the variety of cultures and the penetration of economic activities into social relationship networks. In this Chapter I intend to reinforce those arguments through an analysis coming from the heart of Economics, that is, from the rational choice theory. In §2 I will show that a fundamental anthropological condition of the choice is the incomparability of many alternatives; that this causes the rejection of the hypothesis of completeness of the relation of preferences, giving place to frequent and considerable situations in which the subject chooses without being able to give any adequate comparison judgments.

In §3 I will show that these choices, even if not deriving from any rational processes, and not being measurable in terms of utility, can be made for “good reasons”. In §4 I will widen the topic, asserting that such incomparability roots in the polytheistic condition of the subject, in which numerous action criteria coexist conflicting with each other. I will also elaborate a conceptual framework that will let me investigate the cases in which more institutional logics are combined. Finally, in §5 I will explain some points of difference between my approach and the one recently supported by heterodox economists as Richard Thaler and by economic sociologists as Viviana Zelizer. This comparison will let me propose my explanation of the presence and diffusion of “special currencies” in economic life circuits, both currently and in the past.



## 2. Economics and the incomparability of alternatives

The idea of various branches of Economics being unified by the resolution of all problems related to the maximum (or minimum) constrain for an objective function has been established since the classical work of Paul Samuelson (1947). This idea was developed along the path initiated especially by Gary Becker (1973, 1993), up to the analysis of numerous human phenomena, not just those belonging to the sphere of markets and production activities. Today, according to the typical comprehensive model appearing in major economic analysis journals, the *homo oeconomicus* pursues both material richness originated in the markets and moral, non-monetary costs and benefits (see Levitt & List, 2007; Gneezy *et al.*, 2011). The objective function of the rational agent includes variables such as fairness and altruism, the sense of identity and social status, and so on, adding from case to case what is required to show that every choice maximizes its utility within the established limits. As it has often been observed, we are witnessing a tautological approach (see Hirschman, 1986). Indeed, as Economics study rational activity, considered as located in the optimal point of the relation tying it to its objective, then it is true *by definition* that the subject interprets in the best way the relation between the means and the purpose: if, considering a borderline example, s/he was a masochist, by seeking pain s/he would *always and anyway* be choosing the strategy which better identifies of all the available alternatives; and this would be true even if s/he went so far as to cause her/himself permanent damage or death.

In my opinion, another critic can be added to the accusation of tautology, and it is not less radical. The economic science conceives the subject as a decision-maker characterized by her/his capacity to order all the alternatives s/he takes into consideration according to a consistent and complete judgment. In Sugden's worlds (2004: 1017), «It is folk saying in the discipline that, as far as theory is concerned, an individual *is* a preference ordering: everything the theorist needs to know about a person is contained in that person's preferences. Viewed in this perspective, a person who lacks a coherent set of preferences appears as lacking an integrated sense of his own self». This concept does not depend on a utilitarian philosophy. In fact, the

subject does not have to maximize utility; it is enough for her/him to obtain the best result out of some alternatives. In its turn, the subject evaluates a result as “the best” according to *any* judgment criterion able to direct her/his choices, ordering the alternatives. Therefore, the utility judgment criterion, which historically has been often identified with the economic science, can be replaced with a criterion of ethical, aesthetical, political or other judgment, without any changes in the object and analysis methodology. The subject, considered as the carrier of preferences, judges *Alternative y* as more useful, more convenient, more beautiful, more virtuous, more fair, warmer or more intelligent etc. in comparison with *Alternative x*; so he prefers *y* to *x*. Preferences are no more than a set of comparison judgments based on a certain criterion. The theoretical limit of this concept emerges when we recognize that, in the decision-maker’s opinion, quite many social alternatives are incomparable to each other. If this is true, the subject cannot be identified with the preference judgment system and the basics of the economic science are put at stake. Let us focus on this point which is decisive for the formulation of our paper.

In the mainstream economic science, the subject is put before couples of alternatives: the collection of his comparative judgments on the pairs constitutes her/his relation of preference (see Kreps, 1988; Gay, 1992). If the subject considers *State x* better than *State y*, the first one is strictly preferred to the second one. If s/he prefers *x* to *y*, then for any other *State z* the results is that either *x* is preferred to *z* or *z* is preferred to *y*, or both judgments are true. Due to this hypothesis of *completeness* of the relation of preference, the agent is able to judge any alternative included into the set of *X* choice subjects, once the other two *x* alternatives have been evaluated: it is worse than the best one, or better than the worst one, or both. Therefore, the relation of order creates a consistent and complete succession in which we are able to compare two of any *X* elements *establishing which comes “first” and which “after”*. However, numerous social processes are initiated by alternatives that are incomparable to each other, thus avoiding the trichotomy of one being preferred to the other, or vice versa, or the two being indifferent among each other<sup>1</sup>. What prevails in these processes is the incompleteness of the relation of order as, while we

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<sup>1</sup> I distinguish between “comparability” (or “congruence”) and “commensurability”. While the second one requires a value unit scale to cardinaly measure the differences between the alternatives, an ordinalistic ranking is enough for the first.

are under the condition of ordering a pair of *quite similar* alternatives, we can hesitate (suspend our judgment) in front of a third alternative that is “too distant” or “too similar” in terms of quality. Let us start from excessive dissimilarity. An example: imagine that there’s no preference for us in what to buy: Apartment  $x$  in New York or Apartment  $y$  in Boston. If Boston Apartment  $z$  is proposed to us,  $x$  and  $z$  continue to be the same (non-different) for us. For the transitivity of the non-difference relation, it must also be that we are indifferent to  $y$  and  $z$ . But this may also not happen: a Boston apartment can be preferred to the other one. Let us analyze the case of excessive similarity. If I touch Cookers 1, 2 and 3 in a certain sequence, I feel that all of them are cold. But if I touch Cooker 1 and then 3 in a sequence, I notice the difference: Cooker 3 is warmer. It means that Cooker 2 is not-comparable to the others. In fact, if the relation was complete, considering that 1 precedes 3, then either 1 would have to precede 2 or 2 would have to precede 1, or both; but in fact this does not happen. The above-described “good sense” cases mean that the possibility to order all the alternatives remains in place until we believe that we *notice adequate similarities* between them. Thus, if Set  $X$  is our universe of social processes, we compare its elements  $x$ ,  $y$  and  $z$  only if they seem to us either not too dissimilar or not too similar to each other.

A decisive aspect for my argument consists in the fact that incompleteness does not derive from “failures of rationality” that can be remedied for: it is not caused by lack of information on the alternatives, nor by the limited ability of the subject to process such information. It emerges rather when the subject makes evaluations on the basis of different and contrasting opinions that are more difficult to unify in a consistent judgment when the number of alternatives are for her/him, as we have seen, too similar or too dissimilar. This is a general characteristic of qualitative judgments that cannot always be converted into quantitative comparisons: this is a *fundamental anthropological condition* of choice that can be met in any human society. But this is not all. There is at least one more reason making the incompleteness inevitable: «Typically, option preferences are induced by outcome preferences. I prefer one option because I prefer its outcome, that is, its expected utility, compared to that of other options. If the situation is one of uncertainty or ignorance rather than risk, however, I may not be able to compare the outcomes» (Elster, 2007: 208). In the event of uncertainty, «certain decisions that our individual

is asked to make might involve highly hypothetical situations, which he will never face in real life; he might feel that he cannot reach an “honest” decision in such cases» (Aumann, 1962: 446). In the event of ignorance, for instance when we choose among several food menus, we usually consider several attributes: taste, authenticity, calories etc. Such a circumstance may generate incomparability in the terms discussed above. To avoid it, let us imagine artificially that the subject considers just the “taste” criterion. The incomparability emerges anyway: in fact, «to be able to make a choice, the agent must order the whole set of alternatives on the basis of her/his preferences. But to be able to express a preference or indifference on the basis of the “taste” s/he should have already “tasted” all the different alternatives», that is, s/he should have come out of the ignorance which is inherent to the major part of new human experiences (Laise, 1998: 43, my translation). Therefore, also this second reason, evoking uncertainty and ignorance, indicates that incompleteness originates from the *anthropological condition of choice* and not from any formal characteristic that could be removed or introduced to favour the analytical tractability of the economic model (for experimental tests of this thesis, see Danan and Ziegelmeier, 2004; Eliaz and Ok, 2006).

The subject’s difficulties to put alternatives in order according to a finalized and consistent judgment criterion become, if possible, even heavier when social interactions are considered. I propose three key examples. Let us imagine that we classify an organization of society with three numbers (**a**, **b**, **c**), where **a** is the degree of economic welfare; **b** of political influence; **c** of the social status. (However it is enough to consider the order of the three judgments: no reference to numbers is required). Which is the order of preference of the possible combinations? Is an organization producing levels (2, 1, 3) better than the one producing (1, 2, 3)? There is no definite answer as it is not possible to univocally calculate the *compensations* between one dimension and the other ones (see Fleurbaey, 2009). Let us imagine once again – as a second example – that Anna and Bruno have different rates of transformation of resources into utility. A government wanting to distribute equally their opportunities may equalize their share of resources, thus creating a difference in their levels of utility (both total and marginal). Alternatively, it could even their utility levels thus creating a difference in their resources. But will not be able to even both their levels of utility and their shares of resources. It will necessarily have to

equal one thing together with the inequality of the other one (Carter, 2001: 15). Finally, «let's consider the case of an individual seeking to improve her/his social position given a certain dominating scale of values in a society. S/he will have the three alternatives: either to act individually (more work, more initiative on the market etc.); or to develop a political activity with others who share her/his objectives, seeking to obtain some government measures that would improve her/his position and the one of her/his category; or to act so as to modify the scale of values determining her/his social position in relation to others (e.g. modify the evaluation of manual labor, modify ethnic prejudice etc.). To choose s/he will have to be able to compare the costs s/he will bear in the three cases. What should s/he do if s/he does not have a common value criterion for the three action types?» (Pizzorno, 1993: 164, my translation).

Taking into account the individual and intersubject reasons referred to above, it appears relevant to assume that in many circumstances the alternatives are incomparable. This implies that it is impossible to simultaneously maximize the numerous dimensions of the phenomenon under examination and that the very basics of the economic science should be reconsidered. First of all, the incomparability changes the nature of the economic choice. As long as the preferences are complete, a problem of (constrained) optimization consists of some decision variables (we should determine their optimal value), an objective function (indicating the functional relation between the decision variables and some variables having a value that should be maximized or minimized) and an acceptable set (which is the set of the available alternatives for the decision-maker). The *homo oeconomicus* maximizes (profit, satisfaction levels deriving from consumption, social welfare) or minimizes (the costs required to produce a certain amount of output) her/his objective function given some constraints; for her/him a relative maximum is also an absolute maximum if the objective function is almost concave and the acceptable set is convex. His behaviour is predictable: given the preferences, given the nature of constraints and assuming the appropriate formal restrictions, her/his choice is unique.

However, this deterministic conception fails in the presence of the incomparability. As the subject chooses in a voluntary manner, s/he avoids any worsening, that is, avoids those alternatives that, in her/his own opinion, are dominated by other alternatives. However, while in the event of the comparability the

non-dominated alternatives coincided with the dominant ones and the latter selected the best one among themselves (the maximum state), now the subject seeks just to enter the set of *maximal* alternatives dominating all the others without any domination among themselves. In other words, while for maximization purposes the subject adopted the rule of rising *as high as possible* in the order, in the search of the maxima her/his rule is to rise *when* it is possible: thus her/his choices depend both on the initial state and on the process followed to take those choices. But this is not enough. The set of the incomparable maxima has a paradoxical nature: this is a set of choices in which judgments focused on the best or on the equivalent are suspended. In fact, it misses both the preference judgments (otherwise they would not be maxima!) and the indifference ones (as “I think this one and that one are just the same” supposes a utilitarian judgments which is instead absent, according to the hypothesis). So the paradox consists in the circumstance that, when comparability fails, the subject has to choose between alternatives s/he cannot order, that is, without having any criterion to do it!

How is such choice void of any judgment made? When the alternatives appear incomparable to the subject, he may adopted four basic strategies. The first one consists in *trying to introduce the comparability*. This may be performed by turning to arbitrary expedients consisting in criteria deriving from a case, a caprice or a habit. According to John Maynard Keynes (1973: 294): «Generally speaking, in making a decision we have before us a large number of alternatives, none of which is demonstrably more “rational” than the others, in the sense that we can arrange in order of merit the sum aggregate of the benefits obtainable from the complete consequences of each. To avoid being in the position of Buridan’s ass, we fall back, therefore, and necessarily do so, on motives of another kind, which are not “rational” in the sense of being concerned with the evaluation of consequences, but are decided by habit, instinct, preference, desire, will, etc.». This is a theoretically weak answer as the invoked motives, even being quite relevant, are not susceptible to specific rigorous analysis: in fact, case, caprice or habit appear to be external factors justifying an action without explaining it.

Otherwise, and this is the second strategy, comparability can be *re-established by means of an objective logic of the structure*. For example Marx «had warned that the transformational powers of money subverted reality, “confounding and

compounding ... all natural and human qualities ... [money] serves to exchange every property for every other, even contradictory, property and object: it is the fraternization of impossibilities”. As the ultimate objectifier – a “god among commodities” – money not only obliterated all subjective connections between objects and individuals, but also reduced personal relations to the “cash nexus” [...] As pure exchange value, money necessarily assumed an “unmeaning” form, which in turn neutralized all possible qualitative distinctions between commodities. [...] For Marx, money was thus an irresistible and “radical leveler”, invading all areas of social life» (Zelizer, 1994: 7-8). In this passage it’s not the subject anymore who wishes that dissimilar alternatives can be evaluated in monetary terms; the incomparability of the choices is *actually* reduced by means of a coercive institutional device introduced by the capitalist currency. Another good example regards the elementary relationships that, according to Lévi-Strauss (1949), have an invariant structure under which the various particular-concrete relationship systems are just “transformations”, in the algebraic meaning. The reason for organizing this structure does not transcend only the individual conscience and existence, but also society and history, referring to some kind of collective subconscious (or *esprit*). Such positions as those of Marx and Lévi-Strauss do not face the problem of the subjective answers to the incomparability of the social alternatives but dissolve it invoking a more profound homogeneous reality.

The third strategy aimed at restoring the comparability consists in *showing that the power relations are the ones to establish a standard for all alternatives leveling*. A paradigmatic case is the “governmentality” theory of Michel Foucault (2004). This neologism resulting from the crisis between the “government” and “rationality” terms denotes the diffusion of appropriate domination strategies and logics among all the population. Foucault and the scholars inspired by him, such as Espeland and Stevens (2007) and Fourcade (2011), examine the practices used by politicians, ideologists, technicians, lawyers, professional economists *et similia* to actively try to find an effective way of commensurating and evaluating social assets. Their approach has the benefit of expressing a power conception that is not just punitive, coercive and violent, but able to put subjectivity under control. However, they reject the idea (the one I am insisting on here) that quite many relevant social processes can *treat the incomparability of the social assets without dissolving or eliminating it, through the*

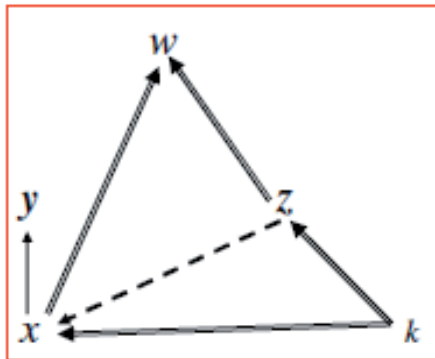
*voluntary and conscious choices of individuals*. And this is the fourth strategy: the one that received little focus in the literature but that appears of extreme relevance to me.

### **3. The choice in front of the incomparability**

To show in the simplest terms how a subject can choose *according to reasons in the absence of judgments*, that is, when her/his alternatives are incomparable maximal elements, two fundamental cases must be distinguished: the one in which the incomparability of the maximal elements is total and the one in which it is partial. Let us start examining the first case. The access to a maximum is not a state of peace: the end of any stimulus towards a change, the block of any further choice. In fact, a maximal element  $z$ , according to the relation of preference  $P$ , can stay on a path of improvements, which includes  $x$  that is indifferent from  $z$ , for which some better values than  $x$  but not than  $z$  exist. As shown in Figure 3, element  $x$  acts as a “bridge” between a maximal element according to  $P$  and any subsequent improvements. The  $P$  relation of preference and its inverse value (of dis-preference), taken together, create the judgment relation  $G$ . The residual of  $G$  indicates the Set  $N$  composed of the alternatives that cannot be judged. Being out of  $G$ , we cannot define in  $N$  an equivalence (or indifference) relation in terms of pairs of alternatives judged by the subject as having equal utility. Instead, it is possible to establish the indifference through a third alternative that can be accessed simultaneously from the first two: therefore, in a space  $N$  void of any judgments, the indifference requisite does not mean equal wellbeing or utility any more but *having the same relation with other alternatives*. On Figure 3,  $x$  and  $z$  have the same relation with Alternative  $w$ , or with Alternative  $k$ , and are thus indifferent. Being incomparable,  $x$  and  $z$  cannot replace each other (according to a judgment); however, they can be replaced as elements of the same indifference class. Therefore, the subject may wish to replace Maximal  $z$  with Maximal  $x$  because  $x$  allows the shift in  $y$ , that is, because a change is made from  $x$  (the utility of such a change is ignored). Here are the choices expressing the fourth strategy: the incomparability of the alternatives cannot be eliminated, it causes the “suspension of judgment” and there is no choice criterion deriving from a rational



calculation of utility. However, the circumstance in which the subject does not know how to improve (or remain non-different) and doesn't even know how to define the improvement (or indifference) does not imply that s/he would not like to change: in fact, a change is an improvement in itself due to the possibility of experimentation and knowledge that it opens, regardless of the fact that it increases the direct and immediate welfare of the subject (Hayek, 1960). The movement from  $z$  to  $y$  through  $x$  is the elementary mechanism to realize this strategy<sup>2</sup>.



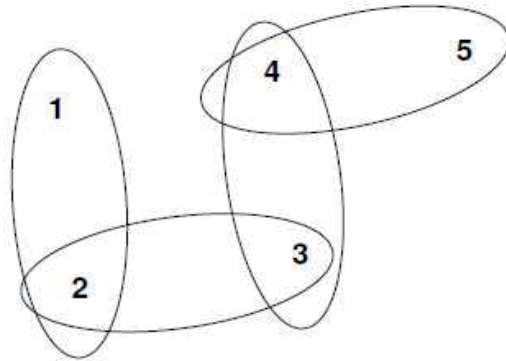
**Figure 3: The total incomparability of the maximal elements**

Let us now consider the second fundamental case, the one in which it is possible to compare a maximum with some other maximal elements, but not with all of them, namely a case where the incomparability is partial. Within the theoretic approach I am supporting, the subject acts voluntarily and the incomparability is unavoidable. Therefore, partial comparisons neither are made because someone imposes them, nor they restore the completeness of the relation of preference. Nevertheless, they allow to act reasonably, through an economic protocol which defines the cost of leaving one incomparable alternative for another, and which therefore sets the reasons for making (or not making) a choice. This protocol can be illustrated in the following way. Let us consider some sets which include comparable elements, but which are incomparable among them: one includes alternatives 1 and 2;

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<sup>2</sup> I refer to the Appendix for a more rigorous exposure.

a second 2 and 3; a third 3 and 4; and a final fourth 4 and 5. As Figure 4 shows, alternative 1 is comparable with 2, but it is incomparable with 3, 4 and 5. In turn, 2 is comparable with 3, which is comparable with 4, which is comparable with 5. Thus, between alternative 1 and 5 there is a qualitative distance of four steps, namely if 1 the subject moves to 2, 3 and 4, it can reach 5. That is, the subject can make 1 and 5 closer, not because s/he makes them comparable, but because s/he explores a way to get them closer. The four steps are a qualitative measure of the cost the subject undertakes to reach 5 starting from 1; they are a measure of the shift from goods available in 1 to goods available in 5.



**Figure 4: The partial incomparability of the maximal elements**

Let us confine ourselves to an example suggested by Ludwig Wittgenstein (1953). Among board games and card games, ball games and sports competitions, building block games and games of chances, sleight of hand and game requiring patience, there are not requisites common to all of them, and certain are incomparable to each other. Nevertheless the subject conceives a cognitive map in which each game is included using the protocol described above: 1 is associated to 2, which in turn is associated to 3 and so on. These phenomena have no one thing in common in virtue of which we use the same word for all, but there are many different kinds of *affinity* between them. We see a complicated network of similarities overlapping and crossing each other (Wittgenstein, 1953: §§65-67). The subject establishing connections does not know/want/have to and cannot remove the heterogeneity of

games which s/he examines; instead s/he practices a protocol of “conversion” among alternative places in one set (institutional context) and another. Everyone tries, according to subjective criteria, to move from some alternatives to others. But the theoretical point does not concern single criteria, nor cultural influence and intersubjectivity they obviously reflect; rather, it concerns the universality of the protocol. Among alternatives, this measures the cost of leaving one good for one other through the qualitative distance between two alternatives, namely through the needed steps to go from one to another. This cost is subjective: it exists in the mind of the decision maker and nowhere else. The cost cannot be measured by anyone except the decision maker, because there’s no way the subjective experience can be directly observed (Buchanan, 1969). Add to this the fact that the nature of the protocol is not deductive, because the subject does not find out *ex ante* what “aligns” all the alternatives, to consider them one by one later on. On the contrary, the subject explores *in itinere* what (for her/him) associates one single alternative to another, and what in turn associates that one to another different one, until s/he can give shape to a setting where to act. The minimum number of steps between an alternative and another, to which it is incomparable, represents the subjective measure of the cost from (for example) the chess game to the tennis match, or from the laundry detergent to the prayer. We all act like that, and we couldn’t do otherwise.

#### **4. A conceptual framework of the polytheistic condition**

I already argued that the non-comparability of alternatives modifies both, the single subject’s and the intersubjective voluntary choices. Let’s now discuss the implications of the non-comparability in the analysis of the institutions of a society. The topic can be effectively introduced by referring – in a transdisciplinary perspective – to the indications of an economist, a sociologist, and an anthropologist. Maffeo Pantaleoni, whose writings date back to the end of the XIX century and the beginning of the XX, is one of the few economists who recognizes the centrality of the non-comparability of alternatives in social life. He upholds the idea that each individual is rooted into many different institutions and that her/his preferences for one or the other are heterogeneous (Pantaleoni 1917a: 175; 1925: 178). According to

Pantaleoni, we can make a distinction between the ideological/cultural sphere, the political sphere and the economic/material one. Therefore, «there are at least three kind of relationships between human beings, two of which aren't ruled by economic laws. Such kinds of relationships are so different one from another that I wouldn't know which kind of bridge I could build to connect them. It's necessary to jump, because there is a *hiatus*. You enter in a new world by moving from one to the other» (Pantaleoni 1925: 186, my translation). Given that the subject elaborates different selection criteria according to the institutional sphere, within each area the subject tends to apply a sole selection criterion: thus, in the market economy s/he acts in a univocal and coherent way, in the family s/he acts in a different but equally precise way and in the political area in another peculiar way. According to Pantaleoni, if the society had well defined boundaries between institutional spheres, we'd have many positive implications. «Let's suppose, for example, that seats in a theatre or on a train are distributed not only to those who are willing to pay more for the tickets, compared to those unwilling to do so, and that have therefore voluntarily excluded themselves. Which other method could be applied? Do we want to give the tickets at a set price, to those who arrive first? Who will win, strong shoulders and fists or those who will pay such strong shoulders and fists? Do we want to draw lots? This way, those who don't want to pay for the tickets will receive them and will sell them, and also those who are willing to pay will receive them, on condition that they could set a good price to sell them back. Will tickets be given as 'favors'? Bribery will arise among the dispensers of favors, and will play a role in obtaining the role of favor dispensers» (Pantaleoni 1925: 275, my translation). However, Pantaleoni ascertains, usually this doesn't happen, because each sphere's social assets can cross boundaries and can be used to get benefits in a different one. Indeed, in the absence of «a criterion to decide which of these different hedonic structures is the strongest and which is the weakest» (Pantaleoni, 1925: 352), each one struggles with «the game rules [...] extremely various in the different games called life» (Pantaleoni 1917b: 15, own translation), and «the requirements to win change constantly» (Pantaleoni, 1925: 357). The subject doesn't limit her/himself solely to calculate how to optimize within a given sphere, but starts a dynamic process of inter-institutional optimization: one can obtain a payment by giving affection, or sell his vote in return for 'favors', or avoid to pay a service physically threatening the tax collector. Often it is strategically

more convenient to use the assets of the X area in the Z one, instead of the X sphere, because the assets' transfer from one institutional area to the other contributes to overcome constraints and to take opportunities.

Pantaleoni's position, above mentioned, is heterodox among economists. For sociologists, Max Weber constitutes an essential classic. He elaborates, in the same years, a similar consideration, analyzing the human condition in terms of *polytheism of values*. Polytheism, in fact, indicates the coexistence of numerous gods, having each one of them separate functions and specific fields: there can be gods linked to a place (Athens or Sparta), to an activity (fishing, hunting, love, war), to a profession, to the protection from diseases or dangers. In polytheism the values can't be scaled; «what is given to understand is just the acknowledgment of the divine in one or the other case, or rather in one system or the other» (Weber, 1919, my translation). Whereas in the past times' polytheism, the spheres of influence of each god were kept separated; it is during modernity, according to Weber, that «impersonal forces have taken over personal divinities; antagonism has taken over polytheistic – as well as monotheistic – hierarchies of values, an irreconcilable “endless fight” over different values. Human beings are compelled to face not only depersonalized needs but also pretentiously universalizing, and for this reason conflicting, needs. This is, according to Weber, the destiny of our epoch, a destiny which cannot be mitigated neither by any theology, nor by any science» (Schluchter, 1979, my translation). Thus, Weber's thesis notices the irreducible opposition among the final reasons of social actors. As many interpreters have underlined, his position is tragic: a human being «has to choose which gods he wants to believe in and he has to serve at times one or another» (Weber, 1916, my translation). Among the gods «it is impossible to relativize or find a compromise. Of course, it is impossible according to their sense. Since [...] *in almost all peculiar definition of stance by real human beings, the spheres of values intersect and intertwine*» (Weber, 1917, my translation, added cursive).

This last quotation, as well as Pantaleoni's similar intuition, sets the theoretical topic faced by the anthropologist Paul Bohannan in late Fifties: how can incomparable and often antagonistic values be contaminated? How can the alternatives within one institutional area be used in another one? Bohannan, through the study of the Tiv population of Nigeria, replies that, according to his interpretation, such population shapes «a multi-centric economy [...] in which a society's

exchangeable goods fall into two or more mutually exclusive spheres, each marked by different institutionalization and different moral values. In some multi-centric economies these spheres remain distinct, though in most there are more or less institutionalized means of converting wealth from one into wealth in another» (Bohannon, 1959: 492). For goods, or more generically alternatives, of an institutional sphere to be transacted with those of another one, it is necessary that the subject controlling them is able to estimate the *quid pro quo*, meaning the cost of their conversion. The term “conversion”, suggested by Bohannon, appropriately reminds us that not all the *quid pro quo* are commercial trades because not each *quid pro quo* requires the goods’ comparability. While the trade on a market takes place thanks to a universal currency used to buy goods, the conversion of a good belonging to a certain sphere into a good of another sphere is a completely different operation, and it needs the protocols mentioned in §3 that will be discussed again in §5. Furthermore, as also Pantaleoni noted, the conversion makes «the ultimate type of maximization» possible (Bohannon, 1959: 497). In general, until it operates in a mono-centric economy, the subject improves her/his condition cleverly using the given rules of that sphere. When instead, s/he participates to a multi-centric economy, s/he can use the rules of a sphere to take advantage within another sphere: s/he can take advantage of the status’ goods to obtain more food than s/he could actually purchase, or take advantage of the power assets to change the rules of the sphere in which women circulate, and so on. In spite of the fact that in the following years «Melanesianists and Africanists provide important correctives to Bohannon’s model» (Maurer, 2006: 21), the notion of “conversion” is still a precious contribution.

Now that Pantaleoni, Weber and Bohannon’s important ideas on the polytheism of the human condition have been discussed, I suggest a simple framework to elucidate them. Until now I have discussed (§3) how a single subject, in presence of an incomparability (total or partial) of the alternatives, can make choices according to reasons, even without a coherent judgment. Let us investigate now how reasonable choices can be made in an *inter-subjective field*, laying no claims to include comparability. Let us consider for instance a crucial phenomenon characterizing the market: the formation of a uniform rate of profit. According to mainstream economists, it is a case peculiar to the institutional sphere of economy. As rather Giacomo Becattini (1983: 46 and 55, my translation) outlines: «It is evident

– and only a “scientist doping” can make it unclear – that every human subject, both worker or capitalistic entrepreneur, shifts his resources from an activity to another according to the representation that he subjectively figures out concerning: a) his own resources; b) their returns, somehow defined, in all different possible uses; c) their actual possible uses. If it is like that, it becomes necessary to understand how the subject represents resources, how he evaluates their returns, how he distributes them. Real capitalistic systems go through phases in which “straining” of cultural process is stronger and phases in which this “straining” is weaker. When it is less marked, meaning when those values and meanings that the profits’ sub-system produces move “quasi-naturally” with those ones resulting from a “cultural evolution”, the socio-economic growth process develops regularly: all of the subjects read and evaluate reality more or less in the same way; consistent and self-justifying configurations of expectations develop, the economic process produces fulfilment of needs and profits, simultaneously and jointly». Thus, the investments return rate evens out, not because of the lack of an impersonal and automatic mechanism which excludes an extra-profit by making capitals migrating from a business to another; rather, because entrepreneurs represent to themselves the business activities included in the institutional sphere of economy, within the institutional cultural sphere, and they do that in rather stable and mutual ways, bringing them to the perception that, for each of them, the final investment is convenient, considering the investments made by the other members of the community. What happens is the establishment of a self-enforcing expectations system. Let us think of a group of investors. The n.1 divides reality in 10 industries: industry I (“metallurgic”) boundary goes from 0 to 3 of a hypothetical line, II (“computer industry”) from 4 to 8, III (“construction industry”) from 9 to 15 and so on. Also n.2 divides reality in 10 industries, but industry I boundary goes from 0 to 4, II from 7 to 13 (since the entrepreneur does not see options 5 and 6, or they are not accessible to him, or s/he refuses them), III goes from 14 to 19, and so on. N.3 divides reality in 12 industries, since two of them are separated in independent sub-industries, and so on. What is crucial? That n.1 expectations can be confirmed, given n.2 ones; at the same time it is crucial that n.2 expectations can be confirmed, given n.1 ones. It does not matter that industries really exist out there, and that each entrepreneur calculates suitability of moving her/his capital to one or another industry, until balancing marginal returns.

In a few words, considering the incomparability of alternatives, it is possible to obtain social consent on the “unit of measurement” of judgments and actions, *instead of trying to establish a form of comparability*. This “consent” is a set of shared individual expectations  $A$  referring to a collective self-enforcing behaviour  $Q$  in a social setting  $X$ . It does not demand univocal judgment criteria, therefore it does not demand comparability of alternatives. I can ignore how to *measure* (one to each other, or using the same “currency”) detergents, prayers units and flight tickets; actually, it is possible that I am not able to set them in order sensibly on the same scale. Nonetheless I can recognize that during the social encounters among me holding detergent packs, you who have units of prayer, and him holding flight tickets, there is a concurrence towards reciprocally confirming expectations. We often make this cognitive action in situations in which alternatives are incomparable, and it is well described by the famous comment of the philosopher Jacques Maritain: «do you want to know if I and my colleagues agree on subjective rights? Sure, but don't ask us what they are!».

A powerful instrument formulated by the recent neo-institutionalist economic analysis enables to understand how this consent is built: it is the “institutional complementarity” (Aoki, 2001). Two variables (in consumption, production and organization, among institutions) are complementary if, when subject  $A$  enhances one variable, incremental benefits deriving by enhancing the other variable for subject  $B$ . Let us suppose that  $x'$  and  $x''$  are two alternative institutions (equilibrium outcomes) in domain  $\mathbf{X}$ , whereas  $z$  and  $z'$  are two alternative institutions in domain  $\mathbf{Z}$ . Let's suppose that payoffs difference  $U(x')-U(x'')$  grows for each player of domain  $\mathbf{X}$  (it does not need that all of them have the same function of payoff), when  $z'$  or  $z''$  prevails in domain  $\mathbf{Z}$ . At the same time, let us suppose that payoff difference  $V(z')-V(z'')$  grows for every players within domain  $\mathbf{Z}$  (they can be partially or totally overlapping players of domain  $\mathbf{X}$ ), when  $x'$  or  $x''$  prevails in  $\mathbf{X}$ . Then games in  $\mathbf{X}$  and  $\mathbf{Z}$  are called super-modular, and  $x'$  and  $z'$  (alternatively  $x''$  and  $z''$ ) are complementary to each other. If the condition of super-modularity holds, a combination of balance, and especially an institutional viable equilibrium, can be either  $(x', z')$  or  $(x'', z'')$ . Furthermore, even if one of them is less efficient in terms of Pareto-ranking, it may nevertheless establish itself as a balance, once it is obtained. The institutional complementarity is thus defined by the following two



circumstances: (1) the additional benefit of having the institution  $x'$  instead of the institution  $x''$  in some domain  $\mathbf{X}$ , is greater when the institution  $z'$  (instead of the institution  $z''$ ) is chosen in the domain  $\mathbf{Z}$ . (2) The additional benefit of having the institution  $z''$  instead of the institution  $z'$  in some domain  $\mathbf{Z}$  is greater when the institution  $x''$  (instead of the institution  $x'$ ) is chosen in the domain  $\mathbf{X}$ . There are therefore two Nash equilibria for the system which includes  $\mathbf{X}$  and  $\mathbf{Z}$ :  $(x', z')$  and  $(x'', z'')$ . In the case of  $(x', z')$ , the choice of  $x'$  in  $\mathbf{X}$  is optimal, given the choice of  $\mathbf{Z}$ , and the choice of  $z'$  in  $\mathbf{Z}$  is optimal, given the choice of  $\mathbf{X}$ ; there is thus a pair of expectations on the choice of each player such that, should even be known the choice of the other, nobody would want to change her/his choice.

## 5. Confronting with Thaler and Zelizer: towards a new research perspective

When a subject making a choice evaluates non-comparable alternatives, s/he is immersed in a “polytheistic condition”. What at this point is left to discuss, is a crucial theoretical issue: how many prayers are worth the hundred euros that could purchase five packages of detergent, if prayers and detergents aren’t comparable alternatives? What happens to the money, when it measures both prayers and detergents, *but not the one with relation to the other*? Let’s start by recalling the answer, substantially similar, suggested by the economist Richard Thaler and by the sociologist Viviana Zelizer. I will then sketch out an answer, partly different, based on the above stated argumentations.

Each mainstream discussion regarding monetary economy defines money according to its functions, establishing mainly two functions. In the first case, money is everything that is generally accepted in return for goods and as an instrument to extinguish debts. Everything can become money, as long as it is universally accepted as a payment; more specifically, money can be a mark without any intrinsic value, meaning pure credit. Each form of money is fiduciary, in the sense that the creditor establishes when to accept it, apart from the money issued by the State that has by law the “releasing power”: it is called currency and it is the only one that can’t be refused by those who have to receive a payment. In the second case, money is the measure of value, or the unit of account, or the numerary. If, for example, I bought a

pair of shoes in absence of a shared unity of measurement, I should ask which, and how many, goods are necessary to each merchant for remising those shoes. If a merchant wants apples but I have watches I should know the trade ratio between watches and apples, and accordingly between apples and shoes; and likewise, if another merchant wants clothes, or wine, or books. Hence, I should know all the possible trade ratios between existing goods: if the goods are  $n$ , those ratio are  $n(n-1)/2$ . Instead, thanks to the unit of account, the trade ratios reduce to  $n-1$ , since it is sufficient to relate each good to what has been selected as currency. But it isn't necessary to use as a measure of value each good that is used as trade intermediary; it is just necessary but only to state it in terms of something that is a measure of value (see, for example, Robertson, 1928). The intermediary can be a food voucher issued by a supermarket chain, while the unit of account is the euro; other examples are certificates, coupons, expense accounts or local currencies. According to this thesis, which falls under the standard discussions of monetary economy, it is essential that the unit of account is universal, or that trade ratios are elaborated among all the goods according to the same currency. It instead appears of secondary importance that markets are fragmented on the payment means, generating special currencies with a limited, special and temporal, acceptability. One of the most important XX century's economists even theorized that in a free society manifold currencies could and should proliferate as mediums of exchange (Hayek, 1976).

In that regard, heterodox economists such as Thaler and sociologists such as Zelizer innovate theoretically. They suggest that *the contrary can happen*: the intermediary, or the means of payment, is constituted by euro, a legal currency, while the measure of value or unit of account is special currency. The latter upraises and is acknowledged only in a limited "commercial circuit" (Zelizer, 2006), establishing trade ratios not among all the goods of the economic system and the currency, but between those circulating in that specific circuit and the currency. Welfare and social assistance services, charity and gifts (Zelizer, 1994); life and children evaluation (Zelizer, 1979 e 1985); access to sexual performances (Zelizer, 2005); migrants' remittances (Zelizer, 2009); religious practices (Iannaccone, 1988); political activities (Pizzorno, 1986); symbolic goods, such as Royal jewels or others trophies, and intangible goods such as love and honor (Gregory, 1982; Weiner, 1992); non reproducible artistic and environmental assets, such as a Leonardo painting or a

valley of the Dolomites (Fourcade, 2011); new knowledge fluxes (Boulding, 1966); the sharing (Belk, 2010); the relational goods (Uhlener, 1989); the informal economy goods (Hart, 1973); the status assets (Thaler, 1985); are all examples of limited circuits<sup>3</sup>. When a subject enters in one of these commercial circuits, the currency s/he makes available measures only the goods belonging to that specific circuit, and not all the others. Many families, for example, create separate accounts for the children education, holidays, medical treatments, retirement, rent, bills, transportation, cultural expenses, and so on (Thaler, 1999). Gross and Souleles (2002) documented that the American families of their sample have more than 5.000 dollars in cash and a negative balance on the credit card of about 3.000 dollars. Since the passive interest rate is on the credit card substantively higher than the one on the savings accounts, it would be convenient to extinguish the debt, but the majority of the families don't extinguish it, because they believe they are dealing with different piles of money. Moreover, also in a commercial circuit of consumption goods, the subjects uses money in different ways, according to its provenience, or rather according to the circuit in which it was obtained (Thaler & Sunstein, 2008). Therefore, the exchange rate between the safety of a child and money, or between a trip to Paris and money, it's not calculated *together with* the exchange ratio between a box of detergent and money (according to the consumption), or between an hour of extra-work and money (according to the profit); even if the means of payment is always the euro. According to the mainstream economic theory, it doesn't matter from where the money comes from, nor the way it is used: what is important is that the consumers' utility, or the worker/producer's payoff, is the highest. According to Thaler and Zelizer, instead, money has never a perfect fungibility: a euro never equals a euro when changes the consumption goods' category or the category of activities through which it was obtained.

A different approach is the one recently systematized by Lucien Karpik (2010). He focused on the uncertain and incommensurable "singularities", meaning the goods with multidimensional economic characteristics. For example, the home brew beers

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<sup>3</sup> Among some special currencies of commercial circuits there are common requisites. One that is particularly relevant, since it contradicts the traditional idea according to which money can be subdivided to one's taste, is that money shows some forms of indivisibility in certain circuits, such as the religious goods' one, the artistic-environmental one, the sharing one, and many others.

respond to multiple purposes (multidimensionality), their taste is surprising (uncertainty) and they are difficult to compare since they belong to different cultivation areas (incommensurability). Karpik asserts that the subject doesn't formulate evaluations based on calculus to choose among peculiar goods, but rather on merely qualitative opinions. Such opinions summarize a plurality of criteria in a consistent, in which a good is preferred to another one, since they are based on personal and impersonal devices (Foucault): in the first case they give importance to advices made by friends, or others within the same social network; in the second case, they include quality clues, experts' opinions and any kind of grading. Karpik's thesis can be interpreted as a refined version of the "rational ignorance" idea (Downs, 1957). Up against peculiar goods, the subject feels incapable to elaborate informed decisions. The goods characteristics appear to her/him as so complex and blurry, that the effort to obtain directly better information would be much more expensive and probably inadequate. So, for the subject is rational to remain ignorant, delegating to others, or to institutional mechanisms, the judgment formulation. His thesis appears, paradoxically, to fall under the classic paradigm of rational choice from which it aims to detach itself. But the hardest difficulty is traceable comparing Karpik to Thaler and Zelizer. Karpik focuses on a limited number of case studies on goods, as they are the only peculiar goods on the market. On the contrary, Thaler and Zelizer document that a wide part of ordinary goods is mistaken with peculiar ones. The devices orienting judgments exist even when, going to the supermarket, we check the labels or the consumers association's indications, or when, investing in the stock exchange, keep in account the rating agencies' grading or the financial advisors' and mutual fund managers' opinions. Peculiarities are much more central in the market's functioning than Karpik does actually recognize. Thaler's and Zelizer's structuring appears theoretically and empirically stronger. Peculiar goods develop in commercial circuits that subjects built and actively share, and not under the foucaultian devices' regulation which mould the subjectivity.

And yet, despite of the fact that Thaler's and Zelizer's approach is illuminating for many aspects, it doesn't explain, in my opinion, why so many different currencies spring. Thaler evocates a mental accounting based on barriers and cognitive distortions, while Zelizer evocates the society articulation in culturally and ethically

variegated fields<sup>4</sup>. They are both weak explanations, because it is possible to intervene on cognitive difficulties by mitigating them or orienting them, while it is not to be excluded, in principle, that the commodification of the world goes so far that special-purpose currencies are eliminated in favor of an all-purpose money. Their explanations have a contingent validity, which depends on circumstances that can change. In particular, such circumstances can fail thanks to processes, not connected to the destiny's caprices or to imponderable historical swings, that appear central to the authors: Thaler dedicated the recent years to studying policy interventions aimed to "straighten up" the subjective categorizations of goods, which are only little rational (Thaler & Sunstein, 2003, 2008); while Zelizer has constantly acknowledged the theoretical position yet expressed by Marx and Simmel, according to which money (and the connected economic ideology) becomes the universal leveling of social and cultural differences (Zelizer, 1988: 620-22). In this Chapter I outlined a third theoretical perspective, funded on the incompleteness of the preference relation. It explains that the euro spent for prayers or detergents are only little fungible, since the economic subject *doesn't know or doesn't want to judge* how much detergent equals a prayer, and vice versa; and s/he doesn't know or doesn't want because her/his qualitative judgment on detergents and prayers, as already seen in § 2, can't be translated in quantity terms. My explanation is complementary to those already outlined and doesn't invalidate their validity. It though, appears more solid since it argues that polytheism is a non removable anthropological condition of the subject's choice. Furthermore, without the non-comparability basis of alternatives, the social activities that transform objects or signs into trading means, and the activities that divide money into distinct categories, are placed on the same level (Zelizer, 2007: 1062). Instead, while the first activities multiply money as a means of payment, the second ones multiply money as a unit of account; moreover, while the first ones are easily recognized by the mainstream economists, the second ones brake with the traditional way of conceiving money.

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<sup>4</sup> I am here recalling the remarkable differences between the Thaler's and Zelizer's elaborations, on which Zelizer writes (1989: 350, squared bracket added): «[Thaler's] mental accounting cannot be fully understood without a model of "sociological accounting". Modern money is marked by more than individual whim or the different material form of currencies».

Last but not least, my approach is able to explain a crucial point, on which Thaler and Zelizer have nothing to say: what happens to money when it measures both prayers and detergents, *but not one in relation to the other*? In wider terms, referring to Pantaleoni, Weber and Bohannan's arguments, what happens when the subject evaluates as non-comparable goods prayers and detergents, and *for this reason* s/he tries to take advantage from transferring the goods (or the peculiar money connected to them) from a commercial circuit to another? The formal model, indicated in §3 and in the Appendix, clarifies that the subject creates an unconcerned relation between goods (or peculiar money) belonging to the two different circuits, based on their position in regards to other goods (or money) and not on their equal utility. Given such relation, the subject explores where a good (or peculiar money) arrive from, or where a good (or peculiar money) leads to; and finally s/he chooses, even if in absence of comparative judgments able to evaluate the most useful alternative, either because s/he follows the circuit open to change, or, on the contrary, because s/he follows the one conserving the *status quo*. When there is a partial comparability, as argued in §3, the subject follows a protocol, already illustrated by Wittgenstein, that allows her/him to choose, by exploring the non-transitive similarities between alternatives, according to reason. Thanks to the conceptual framework illustrated in § 4, I outlined the ways in which it is possible to represent the complementarity of the multiple institutional rationalities. Obviously, I just outlined a research perspective: I will tell how fruitful it is from future research developments.

### *Appendix to §3*

Let us pass to the most rigorous explanation that can be skipped by readers who are not quite interested. If  $X$  is a set of choice objects, the decision regarding them, made by a single subject able to give judgments of value, is traditionally based on a binary relation between the elements of  $X$  named as relation of *preference* and that we can denote with  $P$ . Given  $P \subset X^2$  is the agent's binary relation of "strictly" asymmetric (thus non-reflexive) and transitive preference, interpreted in the usual way:  $(y, x) \in P$ , when the agent prefers  $y$  to  $x$ .  $P^{-1} = \{(x, y) \mid (y, x) \in P\}$  is its inverse.  $G = P \cup P^{-1}$  is the binary judgment relation, equally non-reflexive and transitive, but symmetric:  $(y, x) \in G$  when the agent is able to express a judgement of "strict" preference between the two states. If  $x \in X$ , we define  $P(x) = \{y \mid (y, x) \in P\}$  the set of elements better than  $x$  according to  $P$ , and with  $P^{-1}(x) = \{y \mid (y, x) \in P^{-1}\}$  the set of elements worse than  $x$ . We then define  $G(x) = \{y \mid (y, x) \in G\}$  as the set of elements which can be judged, according to strict preference, with respect to  $x$ . Moreover,  $N = X^2/G$  is the residual of the judgment; obviously,  $(y, x) \in N$ , when the agent does not judge the two elements according to preference.  $N$  is reflexive and symmetric, but not necessarily transitive. If  $N$  is transitive, it is an equivalence

relations which identifies two classes in  $X$ , known as equivalence classes, which are not empty and separated, and their representative elements, and with them the whole classes, are linearly ordered according to  $P$ :  $P$  is then defined regular. Due to its completeness/bounded nature,  $P$  can thus be represented numerically with a real function  $u : X \rightarrow \mathbb{R}$ , which is traditionally named utility function. Thanks to this, if  $(y, x) \in N$ , then  $u(y) = u(x)$ , and this equality is interpreted as an “equal evaluation of wellbeing” of the elements by the agent, who judges them as indifferent.

Instead, if  $P$  is not regular, then it will always be possible to impose some transitivity constraint to the elements in  $N$ , in order to define a restriction which is an equivalence relation, eventually interpretable as indifference. Also in absence of a numeric representation, indeed, it would be reasonable to imagine the agent, though with non-regular preferences, able to, in certain cases, elaborate an indifference judgment between couples, respecting the transitivity requisite as it would be founded on a philosophy of equal evaluation. It seems reasonable, for instance, an indifference judgment, deriving naturally from the identity relation, in the case of a comparison of each element with itself. Generally, we can say that a set of couples in the residual  $N$  are characterised as indifferent if it respects the transitivity.

Various restriction criteria, sufficient to guarantee the transitivity, can be considered. Here we recall the equi-disposition criterion: two elements  $x$  and  $y$  are denoted as equi-disposed if and only if  $P(x) = P(y)$  and  $P^{-1}(x) = P^{-1}(y)$ . In this case



necessarily  $(y, x) \in N$ , as otherwise, for instance,  $(y, x) \in P$  and then  $y \in P(x)$ , when obviously  $y \notin P(y)$ . If  $x$  and  $y$  are equi-disposed, and also  $y$  and  $z$ , then  $x$  and  $z$  are equi-disposed as well. Then  $(x, y) \in N$  and  $(y, z) \in N$  imply  $(x, z) \in N$ : the equi-disposition implies thus the transitivity. Particularly relevant is the superior equal-disposition, i.e. the equality of the best elements, which can be defined as  $E^U = \{(y, x) \in N \mid P(x) = P(y)\}$ .

If  $Y \subseteq X$ , and  $P(x) \cap Y = \emptyset$ , we can say that  $x$  is maximal (according to  $P$ ) in  $Y$ , i.e. maximal tout court when  $Y = X$ . The existence of maximal elements is guaranteed by  $X$ 's completeness/bounded nature. Then, we have that  $M$  is the set of maximal elements for the agent. If, for each  $x \in M$ ,  $y \in q(x)$  is maximal, we can say that  $Q$  is equi-maximal, and we can define  $q(x)$  as the maximal equivalence class. If  $Q$  is equi-maximal, then it partitions  $M$ : indeed, it cannot happen that any element from  $Q$ 's partition includes both maximal and non-maximal. In the case of regular preferences, we have a unique maximal equivalence class; moreover, generally, if two elements are not in the same indifference class, then they are ordered according to strict preference and at least one is not maximal. If the preferences, instead, are not regular, then they cannot be ordered and they can both be maximal. It shows that the superior equi-disposition  $E^U$  is the maximal equi-maximal equivalence, which guarantees that the maximal elements belong to a unique equivalence class (for deeper insights, see Ferrante, 2012).

Let's resume. The loss of the residual's transitivity eliminates the possibility of a numeric representation of the preferences. This entails the important consequence of the impossibility to sustain a certain intrinsic concept of wellbeing, linked to each alternative status through the utility function, even in the case when it is possible despite the multiplicity of numeric representations with equal "utility" states. Indeed, when two elements are indifferent, they lead to the same wellbeing through any numeric representation. Rather, when we restore an indifference relation as transitive restriction on the residual, we cannot argue that two elements lead to the same wellbeing as they entail the same "utility", because we do not rely on any numeric representation. In the case of no-regular preferences then, when better options in a strict preference sense are not available and we are in a maximal situation, non-comparability with other elements does not allow further movements. Here it is valuable a definition of indifference whose interpretation is not the classic "equal wellbeing", but rather "equal relation" with other states. For instance, if  $x \in q \in E$  and  $y \in q \in E$ , meaning that  $x$  and  $y$  belong to the same equivalence class, then they are indifferent not because they lead to the same wellbeing, but because each of them has access to the same best states, and they are the result of the same improvements. Alternatively, if  $x \in q \in E^L$  and  $y \in q \in E^L$ ,  $x$  and  $y$  are indifferent as they result from the same improvements, even if each of them has not access to the same best states. If we now introduce the possibility to substitute elements of the same

indifference class among each other (even if we keep not allowing the substitution between non-comparable elements), i.e. if we construct the indifference relation with appropriate criteria to this substitutability hypothesis, and if, for instance, this construction leads us to consider a superior equi-disposed relation, we then have the possibility to substitute a maximal (according to P) with one of its non-maximal indifferent element, thus taking advantage of otherwise precluded improvements.

## *Chapter two*

### *Not-dividing the indivisible Formation of the sacred and antagonistic conflicts*

*All of the social and political problems that have proved more difficult than ordinary market phenomena to understand are more difficult principally because they contain certain indivisibilities.*

Mancur Olson (1990: 219)

#### **1. Introduction**

This Chapter intends to use categories and tools proper of economic theory to analyze the sacred, collective imaginary and antagonistic conflicts. Over the last decades, economics has shifted its attention from the ordinary activities carried out by the market towards a wide variety of distant topics. Amongst the latter I can name religion, shared mentalities and several types of conflicts (see, respectively, Iannaccone-Berman, 2008; Mantzavinos *et al.*, 2004; Garfinkel & Skaperdas, 2007). Nevertheless, I will claim that imaginary – an irreducible collective phenomenon – as well as the sacred dimension and non-negotiable conflicts have shown to be topics that economics proved to have difficulties in dealing with. This is partially due to the limited contamination with other social disciplines. Hence, my argument will benefit from insights from the sociological and anthropological literature.

Furthermore and on a higher scale, such difficulties, as I will suggest in §2, can be traced back to the “genotype” of the still dominant neoclassic theoretical paradigm which conceives perfect substitution amongst individual choices. This principle

eliminates from its theoretical space all assets, inputs and economic activities which manifest forms of imperfect substitutability, and especially of indivisibility. Consequently, as I will further discuss, the majority of relevant human choices are cut out from the scope of the economic analysis. In §3 I will focus on the selection criteria for the allocation “all-or-nothing” of something which is – and stays – indivisible. In §4 I will examine the reasons why, in economic terms, we could classify symbolic objects amongst the most meaningful indivisible goods, and the way the collective imaginary – referred to as a collection of group-identifying symbols – has a peculiar role amongst them. The §5 will be devoted to the path along which a collective imaginary is generated, while the §6 will discuss the economic reasons for which collective imaginary is made sacred. Throughout this theoretical framework, I aim at providing an explanation to the origin of inter-grouped radical conflicts. The §7 concludes.

## **2. The substitution principle in the neoclassical choice theory**

The entire categorical apparatus of the neoclassical economic theory revolves around the equality of marginal values. When distributing an input or asset across alternative uses, each unit is transferred towards a specific use until the advantage obtained equals the loss related to its retreat from a different purpose. This distribution has a first best solution if and only if the criterion of diminishing returns applies. The higher the number of units devoted to a single use, the higher the number of those which would turn out being more fruitful if used differently (Blaug, 1997: chapters 8-11).

Hence, according to this theory, the producer substitutes one input to another and the consumer substitutes an asset to another, until the benefits generated by an additional substitution to a specific use stops rewarding them. However, for this to happen, there must be a *technological substitution* amongst inputs which allows the production of the same output through varying proportion of inputs. A *psychological substitution* amongst assets, which allows reaching an equal utility through variable combinations of the assets, has to be in place as well. This condition on the validity

of the marginal values equality is defined by Marshall (1890: 556 and *passim*) the “substitution principle” and constitutes the pillar of economic theory.

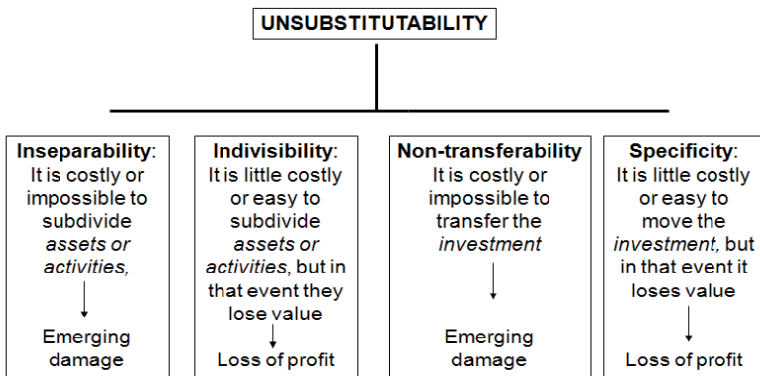
The substitution principle can be criticized both theoretically and empirically. Let’s consider, for the sake of simplicity, a situation in which we have two inputs or two assets, respectively represented by the isoquant (combinations of inputs able to produce a determined level of outputs) and by the indifference curve (combinations of assets expressing an equal level of utility). Realistically, in the production processes fragmentary isoquants can be detected. An asset can be produced in fact in various ways: not necessarily throughout a continuous substitution amongst factors, but rather throughout fixed re-combinations of them, i.e. “bouncing” from one method to another. Similarly, in the consumption processes, the subject chooses within a possibly wide, yet limited, menu of sufficiently distinguishable goods, which thus require a sort of “jump” from one to another. This detail does not only point out the existence of a gap between empirics and theory, but it opens up a different theoretical horizon, where the *imperfect substitutability in economic activities becomes the core*.

Obviously a possible objection might regard the fact that, in a modern neoclassical debate on the theory of choice, situations of partial or null substitutability are discussed. Moreover, the literature upon externalities, public goods and scale economies – dominated by indivisibility – has been promoted and nourished by neoclassical economists. A similar interpretation of the history of economic thinking is possible. However we shall consider what Mancur Olson, clearly having a neoclassical preparation, claims. In his reflection – as the opening sentence of this Chapter states – the theme of indivisibility is central. He does not analyze this category as a simple “complication” of the Walrasian or Marshallian paradigm, but rather as a perspective able to reorient the axis on which the paradigm is pivoted. In this sense Olson is a post-neoclassical economist. Even without examining further details, due to the limited space, this second interpretation appears more suitable to represent economics’ changes and afterthoughts, at least from the mid XX century on.

Let’s assume thus un-substitutability (or rather, limited substitutability) as a fundamental category both in production and in consumption. Un-substitutability can be respectively classified in the following four sub-categories: *inseparability*,

*indivisibility, non-transferability, and specificity. Inseparability* essentially concerns the objective-technical features of those which, from now on, are called “objects” (assets, inputs, activities). The latter are often available in sufficient quantity, in the sense that a table, to carry out its role, cannot be arbitrarily cut into pieces; and in the sense that many objects create utility only when combined. In the steel manufacturing for instance, both fusion and millwork have to be carried jointly, since cast steel cannot otherwise be transported. *Indivisibility* regards objects that are likely and not infrequently easy to split. However, if this happens, each one and everyone lose a considerable portion of its value. Think of a series of innovative services of the knowledge economy. IT platforms, qualified human resources, appropriate software, communication channels used to connect with providers and clients, they are ingredients which do not necessarily need to stay united. However, they generate economies such that the sum of every single production cost exceeds the combination of all services’ production cost. (Further in this Chapter, indivisibility will be the crucial category for our reasoning). *Non-transferability* concerns an object’s level of alienability. Land cannot be moved from one place to another; worker’s performances are linked to his person. The same applies when widening the reasoning to objects which are less strictly negotiable on the markets. It is not possible, for instance, to displace as wished, social capital from one community to another. Lastly, *specificity* is related to non-transferability by the same ratio as the one running through indivisibility and inseparability. This means that, in the specific cases, objects can be alienated in various not too costly, nor difficult, ways. However, if this occurs, these objects significantly lose their own value. It is the case when someone informally associates his clothes store to an exclusive brand, or when a shoe craftsman is asked to produce a pair of shoes in a specific color, model and measure. Probably, if that style fades or the costumer disappears, the agents might still be able to sell their products, but they will have to reduce the prices. Figure 5 summarizes the four dimensions of un-substitutability. It also uses a simple but eloquent criterion which helps distinguishing the sub-categories. It is the criterion of the emerging damage and loss of profits, well-known amongst jurists. The emerging damage identifies the condition of suffering from a loss, which is a value-reducing process. The loss of profit points instead to a missing earning event, which is the interruption of a process which would increase value.

If the substitution principle stops being relevant, *economic choices change nature, and become either asymmetrical or extreme*. When objects are inseparable or non-transferable – as their substitution or relocation is impossible or very expensive – an asymmetry in favor of more flexible objects occurs. Let’s consider the crucial asymmetry, both physical and institutional, between capital factor and labor factor: while the former is transferable, the latter stays incorporated in a person. It follows that any firm – as capital assets are alienable through space and time – can either possess or borrow its own capital stock. Contrarily labor capacity is expressed by someone in a certain place and time. While a capitalist’s wealth can, in principle, be stockpiled with no limits, workers time and abilities face natural boundaries. Whoever possesses capital can maximize her/his own utility through an optimal choice of portfolio, whereas the labor resources mobility only takes place if the worker quits her/his job and starts working for another company. Those who own capital can extract profit out of it even from distance, transforming it into a homogeneous good such as financial capital. On the contrary labor services result from the contiguity of heterogeneous workers, as almost all labor activities require the coalescence of different types of skills and specializations (Dow, 2003).



**Figure 5: Four forms of un-substitutability**

Instead, when objects are indivisible or specific – their substitution, or their reallocation, causes a reduction of their value – the agent faces some *aut-aut*, or



extreme choices: s/he has to choose either  $x$  or  $y$  because any possible combination of them would worsen her/his situation. In order to illustrate this point, I shall go back to the criterion of decreasing marginal revenues which has been recalled at the beginning of the paragraph, and which is a condition for choice's optimality. This criterion postulates the convexity of a set of choices. If, for the sake of simplicity, I limit my argument within convexity only, the criterion states that when a subject can choose between two different objects, s/he prefers any of the intermediate ones. Let's consider  $x$  and  $y$ , i.e. two baskets on the same indifference curve the consumer can select. If the subject mixes them according to  $\lambda$  and  $(1 - \lambda)$  ratio – for instance s/he takes half the quantity of assets contained in  $x$  and  $y$  – s/he prefers this combination  $z$  to the other two extreme baskets. This means that, for the consumer, the bigger the amount of  $x$  s/he can get, the lower her/his desire for any additional increase. Therefore the agent prefers to trade a certain amount of  $x$  with a certain amount of  $y$ . This means that s/he is simultaneously consuming  $x$  and  $y$ , hence switching to  $z$ . Symmetrically, isoquants have a convex shape. In case of convexity, choices regard infinitely divisible objects which are substituted with one another according to the “more-or-less” gradualist logic. Convexity, indeed, implies the infinite divisibility of choices: consumption, or technology, allows to continuously using any asset, or any input in a variable amount (for instance see Kreps, 1990: chapter 2 and 7). However, if we admit the indivisibility of several assets (e.g. computers and cars), inputs (e.g. gears and plants) and economic activities (e.g. on the consumption side, entering a supermarket or not, and, on the production side, opening a plant or not), we cannot affirm that  $x$  and  $y$  can be combined anyhow. (A similar difficulty occurs if we admit the specificity of objects).

If convexity is not relevant instead, discontinuity as to be faced and this requires taking a stand for either  $x$  or  $y$ , as all objects in between them generate lower wellness levels. The choice becomes polar: it is convenient either to select one extreme or the other, though any possible moderate or intermediate situation are excluded. Let's consider one example. A parent chooses a school for his soon. S/he prefers bearing a low level of public expense so that, in case the public school's quality is poor, s/he has sufficient money to switch to a private one. On the contrary, s/he prefers a high level of public expenses, if s/he is sure the public school's quality

is high. The worst solution for her/him would be the intermediate one, i.e. when expenses are high and the quality is inadequate.

Let's summarize. The neoclassical theory of choice, in the (partial) interpretational reconstruction carried out here, relies on the substitution principle. This theory portrays agents who can and want to set trade-offs amongst accessible objects. They *can*, because objects are divisible and do not lose value when split; they *want*, because they improve their wellness by jointly using these objects. As soon as this principle is put into question, economic choices either become asymmetrical or extreme. In case of asymmetry, the least flexible object's value is conditional on the choice of the most flexible one. When dealing with extreme choices, the object loses value if the other one is selected. *Extreme choices with reference to indivisible objects* will be the unique object of this Chapter.

### **3. When the indivisible is not divided: violent conflict and power conflict**

When objects cannot be substituted with any other, isoquants or indifference curves assume a concave shape, and the object loses its value as soon as another one is selected. For extreme choices an optimal sharing criterion does not exist. The members of a collectivity have nothing to do but finding and negotiating a choice criterion amongst the many possible ones. When a choice criterion is consensually selected, it is denominated "fair". Several particular equity criteria were historically identified: from seniority to queuing, from physical strength to technical skills, from waiting lists to price, from familiar distinction to caste, from merit to political loyalty, from qualification to democratic decision, from residential status to legal status, from need to effectiveness, from sexual orientation to mental features (see Elster, 1993). These criteria, in the classification suggested by Peyton Young (1995), constitute a list of eight distinct selection rules. *Physical division* consists in cutting a objects in parts. *Lottery* regards using a draw to randomly assign the object. *Rotation* is about diachronically alternating the object's availability. *Subtraction* consists in ceding the object to an external subject to the group; whereas *sale* requires the object to be sold to share the revenue amongst agents. *Compensation* is the fee that one pays to others in order to be the only buyer of the object. *Unbundling* consists in allocating the

object's use and its monetary value to two different subjects. Lastly, *holding in common* is to renounce giving the object to someone else.

All these criteria are “fair” as they intend *to divide the indivisible throughout shared rules*. Although the object is not perfectly separable, its value shrinks when fragmented and although some might take advantage of its repartition, the members of a collectivity agree on a single rule of the game. “Holding in common” (also called “sharing”: Belk, 2010) constitutes a notable exception. It is the sole criterion which does not divide the object. However, as a matter of fact, it only postpones the division. Allowing everyone to access the object today, it consents “to choose not to choose” what criterion will regulate its use and appropriation tomorrow.

After analyzing “fair” choices, I am able to understand the opposite important category of human choices I am focusing on, and which has always been neglected by the theoretical neoclassical paradigm. Differently from fair choices, who divide indivisibility in a controlled and consensual way, I focus my attention on *the assignment of indivisible objects without dividing them*. Allocating an indivisible object without dividing it means assigning it to an individual or a group, after subtracting it from others. Sometimes it can still be a fair choice: for instance, a solution that entirely assigns an asset, input or activity to the subject acknowledged as “legitimate”, “weak”, “able to appraise it”, or else, can be perceived by everyone as fair. In many other circumstances, however, fairness is no longer a landmark: as the choice criteria is ultimately based on one player's unilateral appropriation, sharing and acceptance tend to fail. Often this choice is not voluntary.

It appears plausible to assert that there are two ways of allocating all-or-nothing an indivisible object. The first option is physical violence. «Violence may well be the only way in which it is possible for one human being to have relatively predictable effects on the actions of another without understanding anything about them. Pretty much any other way one might try to influence another's actions, one at least has to have some idea who they think they are, who they think you are, what they might want out of the situation, and a host of similar considerations. Hit them over the head hard enough, all this becomes irrelevant» (Graeber, 2011b: 48). Violence is thus the ability of imposing social relations minimizing communication, beliefs and expectations. It represents the extreme form of sociability's depletion. The clear possibility to use it in case of all-or-nothing choices has nourished the idea that

non-sharing the indivisible is a rough and archaic strategy, unworthy of analytic attention as well as of normative consideration. A person who hits someone else is just overpowering the chosen target. S/he does not claim any right, nor does s/he formulate reasons: s/he only grabs the loot. It is not worth debating about this issue, we can confine ourselves to blame.

However, as many scholars have observed, mere physical violence' has a limited effect in hyper-simplified social contexts. In order for violence to become power, the entire communicational and imaginative depth, namely, those dimensions that had been expunged should be questioned (see, for all, Arendt 1958 and 1969). This leads to the second criterion concerning all-or-nothing choices. It is based (in terms of power, not violence) on the decisive presence of a Third player. In order to understand the conditions upon which this criterion applies, I shall distinguish between two modalities of executing an auction. The first criterion implies that the subject who gives up on the object is rewarded; in the second one, the agent who acquires the right of subtracting the object from others prevails. In the former, one offers value to the other until s/he takes the amount and exits the game. This is an auction where the auctioneer is only a fictitious figure that bureaucratically registers offers and counter-offers, and that, however, could be removed without altering the process. In the second type of auction, instead, the bet at stake is not directly the indivisible object, rather *the right of eliminating the other from the game*. However if the stake is a right, a Third player is necessary in order to establish and implement such right: instead of an "Auctioneer" we now have a "King" (as he will be called from now on), as a necessary figure who holds enforcement powers. More generally, the Third or "King" is someone representing one or many groups that, in a given collectivity, regulate conflicts assigning rights upon objects.

The first form of auction proposes a mechanism to transform an indivisible object's initial allocation-related problem into a new problem concerning divisible objects (monetary rewards). In Peyton Young's taxonomy this is denominated "compensation". The second form of auction arises instead when players stop negotiating economic compensation in order to claim the right upon the object. However, as the object is indivisible, the right must be exclusive. This means the opponent must be cut off the games. This point is sharply recalled by Guido Calabresi (1985: 87): «When beliefs on both sides clash, financial compensation is often not

enough because compensation does not make up for the violation of one's beliefs. What is at stake is not whether one has a right to impose the *cost* of one's belief on someone else (which is hard enough), but rather whether one has the right, in some sense, to impose the belief on the other. If my doing what I believe violates your beliefs, and vice versa, then compensation is likely to be less than useless and may make matters worse».

The beliefs Calabresi refers to – for which economic compensation is inappropriate and ineffective – have an “identity-making” nature. Subjective identity is referred to as the process through which Ego acknowledges her/himself, and is recognized by Alter, as part of wider collectivities. On the basis of this process, Ego gives meaning to her/his own actions: if the aim is giving her/himself a sense, Ego must enter a group and be recognized by the group as a member. Identity thus requires correspondence between Ego and Alter: Ego becomes part of Alter's group if acknowledged by Alter, and Alter acknowledges Ego if the latter, when entering the group, acknowledges the former. There is no before or after, not a cause nor an effect: Ego is Ego because her/his meaning is defined by her/his membership, together with Alter, to a group, and vice versa. Identity is not a requisite someone can gain or lose, produce or trade. As identity is something that only exists throughout others' eyes, it is nothing but the circular relation between Ego-Alter-Ego. The ultimate foundation of subjectivity lies in the inter-subjective acknowledgment, and this entails that identity arises from an interaction explicating itself in the form of an encounter or a clash: either we acknowledge each other in the name of affinity and solidarity, or in that of difference and contrast (see, on the theme of identity as acknowledgement, Pizzorno, 1986 and 2007).

Hence, the second form of auction – where one engages economic assets to subtract the object from the other – concerns an all-or-nothing identity-making stake. A paradigmatic illustrative case is the biblical episode where, in front of King Salomon, two women, Anne and Claire, claim the same baby as their own son. The baby represents an indivisible object not, obviously, only because a sword cannot cut him, but most of all because s/he is an identity-making object for both suitors. Both Anne and Claire attribute meaning, as for their social actions, from being mothers, but they only have one baby at their disposition. The King ignores that the real mother is Anne. If only paying a sum to disclose the truth was enough, the King

would offer a prize for the fake mother to reveal herself, and Claire would step forward. In alternative, Salomon might threaten both women by totally devaluing the object, in order to verify which of the two women attributes the highest value to the baby. This is what the Bible tells: Salomon pretends he wants to cut the baby into two parts with the sword; the real mother gives up, as she judges the indivisible value of that object higher than obtaining a part of it. The result is happily paradoxical, as the one who renounces discloses the truth and gets rewarded by obtaining the object. As a matter of fact, as long as Salomon pays or threatens, he keeps on carrying out the first form of auction: he compensates the one who gives up on the object. Nevertheless, paying does not work because he does not compensate the identity-making injury. Nor works the threat, because, both women do not perceive as credible that the King will actually destroy the object from whose assignment he derives his role (and hence his own power).

An alternative second form of auction, which claims an exclusive right on the object, exists both for Salomon and for us. As Claire stakes her own identity on being a mother, she is willing to engage economic assets onto this claim, namely to kick the other woman off the game. Economic assets do not compensate/affirm one's *own performance in negative* (renouncing the baby: first form of auction), but rather they question/eliminate the possibility of *a positive performance for the other* (the other woman being a mother). In an identity-making logic, each player does not aim at cashing economic assets, but rather at spending them against the other. There is no interest in collecting resources, but in destroying them.

Let's imagine a sequential game where King Salomon tries to understand which of the two women is willing to commit the biggest amount of money to obtain the baby. The King's strategy is based on the plausible assumption that the value related to the baby is higher for the real mother than for the fake one:  $C_A > C_c$  (the King does not know that "A" stands for Anne). Salomon starts by setting up an initial sum,  $F$ , which each woman aiming at having the baby will have to burn (or give him for other purposes), in order to avoid other people who are not interested in the game to start playing. Then is Anne's turn: she only claims the baby, as she does not know Claire's intentions. The third move is Claire's, who states she is the mother. In order to have the baby, she burns, a sum  $B$  whose size can be  $C_c$  (minus  $F$ , which Claire as well as Anne, have to pay anyways). It is Anne's turn again: as  $C_A > C_c$ , she burns,

other than  $F$ , a sum that, exceeding the value of  $B$ , does not make a higher bid convenient for Claire. The game ends with the King assigning the baby-object to Anne (Glazer-Ma, 1989; Dixit-Skeath, 1999: 406-08, with a few adjustments). Along this interpretation, an auction, whose stake is an object (material or, more often, symbolic) expressing both players' identity, is carried out. Just for the fact that it concerns everybody's identity, the disputed good is indivisible. The good's assignment is finalized when somebody is willing to burn (or to pay a third suitor, for other purposes) more, in order to be the unique owner of that good. As well as in King Salomon's strategy, *the waste of assets reveals how much a subject cares about an identity-good*. This auction represents in "pure" terms a social conflict which is not solvable through the marginalistic more-or-less logic, namely giving something to someone after taking it away from someone else.

#### **4. Symbols non-rivalness**

Thus, when Anne and Claire argue upon an authentically indivisible object, or resort to violence, or compete for an exclusive right in front of the King, both violence and destructive auction, are antagonistic conflicts interpreted as zero-sum non negotiable games. The crucial difference between the two modes concerns the strategy's nature. Physical violence is carried out directly – through a hit on the head, a sword stroke or a gunshot – between Anne and Claire. On the contrary, in case of power conflicts a player does not attack the rival; s/he rather commits her/himself towards certain behaviors with the aim of obtaining the right of dismissing the other from the game. However, as we have seen, in the transition from a violent conflict to a power conflict, a Third person must intervene in order to set and implement the right claimed by the players. This Third is, in turn, a player with his own strategy. Let's then linger on the King's strategy.

Firstly, in the Biblical tale Anne and Claire carry the baby to the King. In this case, the Third party is aware that his power is originated by the fact that the other players are already arguing upon an indivisible object. However, the scheme might be reversed onto a situation where the King suggests an object Anne and Claire will compete for. If that object is divisible, Anne and Claire would start a mutually

favorable negotiation, according to the neoclassical substitution principle, and Salomon might, at most, obtain a reward for having brought that object on the market. Whereas, the perspective radically changes, in the King's favor, if the object is a public good, which cannot be divided/shared (as it is impossible or very expensive to exclude someone from its fruition) nor would that be desirable (as someone's consumption does not change the quantity available to the others). No one is induced to voluntarily pay for this good, as they can benefit from it anyways. It is thus necessary that the King guarantees its funding through a mandatory contribution-based system. It follows that Salomon is incentivized to supply public goods, in order to assume the non-substitutable role of taxation perceiver<sup>5</sup>.

Secondly, Salomon is economically incentivized to spend in public goods until when the group's income has grown so much to be able to pay him back, in the form of increasing taxes, the same amount he had spent. In other words, the King keeps supplying public goods until his portion of marginal social benefit, deriving from those goods, equals their marginal cost. Under this precise condition, it is convenient for the King to promote Anne and Claire's wellness (Olson, 2000). The aspect concerning the highest collective wellness noticed here derives from introducing *inclusive*, rather than exclusive, indivisibilities. Public goods indivisibilities, indeed, are not such because they concern Anne *or* Claire, as in the case of the baby's indivisibility, but rather because they express benefits which are extended *both* to Anne *and* Claire, for instance in case their houses are protected by the King's army. Salomon, although not directly feeling the identity-making clash between Anne and Claire, is thus incentivized to supply goods able to increase the advantages related to group membership. These goods indirectly weaken the reasons behind the clash amongst the group members. Only if Anne (Claire) accepts cohabitation with Claire (Anne), she will be able to use these goods the way she wishes without breaking their indivisibility.

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<sup>5</sup> Obviously, public goods based on a voluntary contribution can exist. However, they are not supplied in an optimal quantity and require particular assumptions in order to leverage the problem of free-riding: hence, they do not modify the main path of our argument. On this theme, and for any aspect related to the analysis of public goods, see Cornes & Sandler (1996).



Thirdly, a public good is characterized by on two distinct forms of indivisibility<sup>6</sup>. The one observed here is non-rivalness<sup>7</sup>. It derives either from scale economies or decreasing costs. When offering non-rival objects, Salomon will have to face, sometimes (not always), high initial costs, but then he will benefit from decreasing or null marginal costs. It follows that it is convenient for the King to expand the supply to a growing number of subjects, until he covers all the members of the collectivities he is able to control.

Fourthly, an object becomes non-rival when everyone is able to use it in its entire value, namely when it can be simultaneously used in several social processes (Romer, 1990: S74-5). However, this “ubiquitarian” feature excludes material objects: a water source, a table or an organization can be used here-or-there, from this-or-that person. As Paul Romer (1996: 204) effectively affirmed, ideas are the only objects who can fully realize non-rivalness. However, if ideas are ubiquitous, so are usually cultural symbols as well<sup>8</sup>.

Fifthly, and lastly, the King will invest in the ideas or symbol transforming them in non rival, if only they have an adequate economic value for him and his citizens (from which he draws taxes). As for ideas, the answer obviously concerns the new knowledge applicable to economic activities. As for symbols, I argued in §3 that identity is what gives a meaning to human choices. Identity is thus the “critic resource” without which any other object has value. The combination of symbols allowing an individual and a group to have an identity is called “collective imaginary”. The King has convenience in investing on that.

The King’s strategy appears clear as soon as we connect the above-mentioned points. He becomes guarantor of the public goods funding for his own convenience

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<sup>6</sup> Recall that the two properties that characterize the public good – its division/rationing is not possible, and it is not desirable – are logically independent from each other (for a classic demonstration, see Head, 1962). From each of these properties follows a distinct form of indivisibility. «A good is indivisible if either of the following two sufficient but not necessary conditions are met: 1) It is not possible to divide or partition the consumption among different individuals; the good is a nonexcludable public good or externality. 2) The technology by which the good is produced involves such a significant indivisibility that, when a Pareto-efficient quantity of the good is produced, marginal cost is less than average cost» (Olson, 1982, p.264).

<sup>7</sup> Olson (1986: 121) observes that economists usually considerate the public good’s properties all together, and do not focus on the implications of a specific analysis of non-rivalness.

<sup>8</sup> On the distinction between ideas and symbols, see §5.

(first point). He is often incentivized not only to draw taxes, but also to supply/promote public goods (second point). His convenience reaches the peak when he offers non-rival public objects (sometimes impure, as a non-excludability might be missing) to the entire collectivity (third point). But, in order to reach this peak, the King must invest in the only non-rival object able to “cover” the entire collectivity. More precisely the King should invest in ideas or symbols the members of the collectivity give economic value to (fourth point). Symbols creating the collective imaginary are those which drive a group to its own acknowledgement, and are thus provided with a high economic value (fifth point).

Hence the King’s strategy I focus on – it is not the only one, but I have argued its crucial character – consists in investing in the imaginary of the collectivity the King is interacting with. Let’s go through this strategy, guided in part by the contribution, little known outside Italy, of the anthropologist Carlo Tullio-Altan (1992).

## **5. The collective imaginary**

Tullio-Altan (1992) calls “collective imaginary” the set of symbols within which a historically determined collectivity defines itself and the world<sup>9</sup>. It is in the framework of a collective imaginary that a group reconsiders its own condition, interprets it according to different reference contexts, and considers possibilities that were not considered beforehand. This “imaginative knowledge” needs to be set apart from knowledge acquired through ideas, which are forms of representing “something” determined. In the cognitive path of ideas the individual proceeds towards the object in order to better understand it: this entails that the subject, who maintains her/his own autonomous willingness and awareness, develops some sort of detachment. Contrarily, when going through a collective imaginary, the individual conforms her/himself and the object to the symbol; s/he adheres to imagines-values where the distinctions between “me and you”, or “me and many others”, or “me and it”, have not been spread yet. In brief, the individual operates upon such distinctions’

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<sup>9</sup> In turn, Tullio-Altan calls “symbols” the mental images of precognitive and prelinguistic nature, often devoid of intentionality (i.e. that do not refer to any object). Symbols are the forms to think: see below.

conditions of meaning. Therefore imaginative knowledge is the individual's identification in the symbolic representation and, this way, in other individuals or objects. But, if in the symbolic experience "my" individuality is not yet divided from "yours", this means that symbolic experiences are generated *directly as collective*. For instance, if a cross sign in during private prayers represents a symbol of the spirit's resurrection, it is due to the fact that for long time the cross has constituted the symbol of a collective religious practice. The intimate and individual dimension of the symbol's elaboration exists when linked to the group dimension: *either it is a collective imaginary or it is not*<sup>10</sup>.

When a group faces experiences which appear "destabilizing" for the usual meanings of its reproductive actions, its set of alternative options needs to be adjusted. The initial transition consists in exiting from the concrete situation of crisis, *through the simulation of alternative scenarios*. This entails the *removal from a historical context*, which means to temporarily leave the incidents' actual space-time coordinates aside. The following transition lies in the *cultural codification of the alternative scenario*. The latter is "performed" and transmitted from one place to another, from one generation to another, through public rituals, with the aim of giving back, spreading and rooting an integrated and stable hermeneutic orientation. Public rituals – social occasions featured by more-or-less unvarying sequences of actions and dispositions (Rappaport, 1999: 24) – include civil and religious ceremonies, festive celebrations and gifts trade, shared productive contexts, ordinary trade negotiations, media and sports events, pedagogical paths, political gatherings, trials and criminal punishments, funerals, weddings, and other transition rituals, up to basic daily interactions, from gossips to hanging out at the usual news-stand or village fountain. But, obviously, not all social routines nor all social interactions, are public rituals<sup>11</sup>. They become such when they change the group's behavior towards certain

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<sup>10</sup> Tullio-Altan does not deny the existence of private symbolic experiences, like for example the dream. However, dreamlike images are generated in the individual's mind as this has delved in a collectivity's symbolic production process.

<sup>11</sup> Ritual interaction is a wider category than that of public ritual. It is at the centre of Durkheim's, Goffman's and Collins' sociological theories. The latter defines it as follows: «ritual interaction owns four main ingredients or initial conditions: 1) two or more persons are physically in the same place, so that they influence each other with their tangible presence, either they are aware or not; 2) there are boundaries for strangers, so that those who participate are aware of who is involved and who is excluded; 3) people

symbols. Or, from an opposite point of view, the symbolic experience is concretely nourished, transmitted and shared when the group's members acknowledge themselves in a simulated scenario, until they chose a behavior which is compliant to the meaning it suggests. When this happens, the simulated scenario becomes a public ritual and it is right through it that a new collective imaginary emerges.

Hence, in order for a recurring occasion of social interaction to become a public ritual, it is necessary, though not sufficient, that simulation represents the predominant communicational mode. Verbal language, although indispensable, is more suitable to transfer ideas rather than symbols. On the other hand, think about the celebration of a religious ceremony or the set-up of a profane theatrical performance. The beneficiary/addressee empathizes with the emotions lived and expressed by the celebrant or the actor in a form of direct participation. Religious ceremonies and theatrical performances are, as a matter of facts, ideal-typical procedures – within a much wider set of public rituals – which transmits symbolic messages through the subjects' *simulated* involvement and mobilization. By the term “simulation” I indicate here the *fictio*, that is “something manufactured or patterned”, not something fake, unreal or merely relegated to *what if* (Geertz, 1973: 53). Simulation is thus a preview of behaviors we will (probably, though not necessarily) conduct outside the public ritual, similarly to when the scientist discovers a chemical formula thanks to the artificial simplicity of experiments conducted in a laboratory, and then possibly execute it, through various complications, in “authentic” social life contexts.

Hence, when during a social meeting we manage to simulate other possible social gatherings, we implicitly confer power of a public ritual. For instance, while few actors perform in front of a wide group of people, these *may* go through a double cognitive experience: on the linguistic-conceptual level, the audience is seated in a theatre while enjoying a literary text's representation; on a symbolic level it enjoys the symbols evoked by the performance and, on an individual scale, it turns them into possibilities of thought. This also matters in other contexts: women having a daily chat at the village fountain might be also reveal the double level of a cognitive experience, if they simulate other social scenarios, maybe figuring lifestyles and consumption behaviors that they do not really pursuit. Thus, public rituals make a

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concentrate on a mutual object or activity, and reciprocal communication related to this focus tends to set any other ones apart; 4) a state of mind or emotional experience is shared » (Collins, 2004: 47-48).

certain set of symbols shared. They raise the individual's convenience of belonging to a group, as they offer a shared imaginary: a fundamental language for mutual acknowledgement. Relying on simulation techniques, they also notably reduce individual costs related to collective action. The individual can store symbols – which, as giving relevance to her/his action, have a high value for her/him – delving with (almost) no costs into a public ritual. The symbolic experience, made concrete by public rituals, weakens the individual's incentive to stay out of the social game.

When, through public rituals, the social experience gets structured in a collective imaginary, it is necessary to shift from symbols to ideas and stereotypes. The basic difference lies in the fact that while symbols constitute “the forms to think”, ideas are “the forms of thought”. Symbols are entirely open and undetermined: a waving flag, a breast-feeding mother or a fenced territory, can be included in infinite horizons of relevance, from exalting regressive values to emphasizing subversive planning. On the other hand when symbols become reproducible and culturally codified within a group thanks to public rituals, they turn into ideas. Consequently, group members, whether willfully or not, start figuring determined contents that, in order to express something, necessarily need to deny something else. Moreover, besides ideas there might be the rise of stereotypes, which translate symbols (i) into pre-established frames, (ii) into rigid beliefs in spite of the interpretational context, (iii) into regulatory expectations inclined to stand out on phenomena that prove them wrong, (iv) into prejudices framing and orientating the paths of ideas. The conversion of the collective imaginary symbols into stereotypes, often (though not always) arises from processes which are strategically oriented by the Third: as Machiavelli observes, indeed «*governing is about making believe*».

Let's summarize. A collectivity's imaginary is formed when group members simulate alternative solutions through public rituals, until they select a new complex of symbolic experiences and meanings. This process, widely unintentional, can partly be governed by the King through investments in public rituals that translate symbols – inherently undetermined and polysemic – into ideas and more specifically into stereotypes to benefit from. The King's strategy, however, does not end up here, as there is, in his possibility horizon, a much more powerful and radical possibility which will further be examined.

## 6. The sanctification of collective imaginary

First of all, collective imaginary exists, if it reaches out to a whole group of human beings: the more people acknowledge it as such, the more its effectiveness grows. At the same time, when each individual uses it, s/he does not prevent others to use it too. It follows that collective imaginary has the economic features of a non-rival public object. As collective imaginary confers identity to a group, its value grows with its uniqueness, i.e. it is substitutable and negotiable. As a consequence, the King is incentivized to make his collectivity's imaginary totally indivisible.

In human history, a recurring strategy aiming at this goal can be detected. It qualifies as “sacred”, the social reality we are able to control, opposing it to anything else out of its area. All human collectivities, incentivized by their Kings, have carried out a world's division into two rigorously separated domains: one includes what is sacred (the collectivity's identity-making boundary), another involves what is profane (what stays outside that boundary). As Émile Durkheim (1912: 41, my translation) affirms, this distinction is more radical than the one between good and bad: «this heterogeneity [between the sacred and the profane] is a very particular quality: it is absolute. In the history of human thought there is no other example regarding two categories of things that are so much deeply different and radically opposed to one another. The traditional contrast between good and bad is nothing in comparison: good and bad are two opposed species of a same kind, that is morality, as well as health and diseases are two different aspects of a same class of facts, life, whereas the sacred and the profane have always and in any place been conceived by human spirit as separate kinds, that is two worlds having nothing in common»<sup>12</sup>. Taking this thesis seriously, the oppositions good/bad (ethical) and sacred/profane (religious) have a different nature. It follows that the religious phenomena, and more generally the

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<sup>12</sup> Obviously, the “discrete” opposition between sacred/profane recurs, in the historical event of human culture, several times: for instance as in the dichotomy society/nature or science/superstition. However no recurrence has the inner constituting coherence of the original dichotomy; indeed, each of the ones mentioned has been brought into question by those people that, between society and nature, or science and superstition, see forms of continuity.

sanctification of social spaces, *are not based upon the ethical dimension*<sup>13</sup>. According to this suggested perspective – which is different from Durkheim’s – *through the laceration of reality between sacred and profane, the Third transforms in absolute the indivisibility of the non-rival object – collective imaginary – within which collectivity members can acknowledge themselves.*

As a rigid dichotomy between the sacred and the profane exists, they represent *the non-substitutability relation par excellence*. However non-substitutability with the profane does not entail that the sacred is a static and intangible block. It is rather possible to split the sacred, according to a principle which claims that «when a sacred being is subdivided, it stays entirely the same in all its parts. [...] Given that a portion recalls the whole, [...] a simple fragment of the flag represents homeland as much as the (entire) flag itself: thus, it can be considered sacred in the same way and at the same level» (Durkheim, 1912: 251-52, my translation)<sup>14</sup>. Hence, while the sacred domain appears separated by, and indivisible from, the profane, it allows, to those inside, for an equal rate of exchange of any of its parts, as long as the sacred goods are homogeneous. Nevertheless, when the parts of the sacred are acknowledged as different species of the same kind, within the sacred domain the possibility of different trade-offs exists. As a matter of fact, alongside the separation between sacred and profane, we identify «two species of sacred, splendor and ill-omened; not only there is no solution of continuity between the two opposed forms, but also, a single object can shift from one to the other without changing its nature. Something pure can generate something impure and the other way around» (*Ivi*: 448, my translation).

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<sup>13</sup> The idea according to which ethics founded the sacred is widespread. Among several examples, one who is particularly stimulating is by Atran-Axelrod-Davis (2007); Atran-Axelrod (2008). On these contributions I will return in Chapter IV.

<sup>14</sup> Consider, though, the following case. In 1866 the Bode Museum of Berlin bought for 28,227 marks from the Florentine manufacturer Stefano Bardini, *Madonna Pazzi* by Donatello. When the work is delivered, they notice that during the transport it had broken up into 14 pieces: its physical indivisibility defaults forever. In many social settings that might entail a corresponding reduction, if not demise, of the good’s commercial value. This does not happen in the case of a work which is the result of unique brilliance: through an accurate restoration, its aesthetic-symbolic indivisibility is safeguarded. Millions of visitors keep on admiring it as if it was still the intact work realized by Donatello. This case’s importance lies in showing that overall the indivisibility’s requisite is always given by subjects to objects, and can be revised on the base of a mutual belief.

Hence, through this still valuable analysis, Durkheim argues that the all-or-nothing logic is typical of the sacred as opposed to the profane, whereas *internally* the sacred cannot do anything but accepting the more-or-less logic. The thesis helps clarifying the historical role of the sanctification of social the space. The sacred does not impose any orientation to eliminate *any* trade-off amongst objects, as it contemporarily acknowledges that, *within* its space, objects are divisible and substitutable. For instance, the borders of France are sacred and include all people who are acknowledged as French; within them, French people trade objects among themselves. It is thus inside the sacred perimeter that lies the possibility of economic trades and, more generally, of social exchanges. The division between sacred and non-sacred is the most important cultural action a group of humans can realize. Only by “fencing” assets, inputs and activities within an undivided and indivisible space, individuals’ acknowledgement can occur; and only based on this acknowledgement, individuals can gain subjectivity and start taking the first steps throughout the world.

Let’s summarize the reasoning, by linking it up to the former paragraph. Collective imaginary is the non-rival object conferring identity to a group. Its sanctification raises its value to infinity, by making it non-negotiable, thus non-substitutable and thus totally unique. It follows that the division of reality between sacred and profane spheres increases the incentives to invest in the formation of the collective imaginary. All members of a collectivity can take advantage of it. Anne and Claire can use it through almost costless public rituals (§5). The King, instead, manages the collective imaginary (if already existing) or invests in public rituals until the new income equals its costs (if is yet to be created; again §5). The formation of the collective imaginary and its own group’s sanctification are processes which keep and strengthen each other.

One last passage is left. The repartition of social space between the sacred and the profane is ambivalent: the sacred removes (or at least reduces) non-negotiable conflicts from the collectivity, but it transfers them into the profane space which links the collectivity to other groups. On one hand, division sets the members of a collectivity in a place where a non-rival symbolic object allows them to vie without all-or-nothing clashes. On the other hand, the partition places members of the complementary set, namely non-members, in the profane space obliging them to stay external/extraneous. Hence, on one hand partition permits to weaken the social



importance of a non-divisible-indivisibility – as that of Anne, Claire, and the newborn – and of antagonistic conflicts. But on the other hand, partition pushes these conflicts “outside”, as non-members stand in the same position as Claire with respect to Anne: also external members, as well as Claire, claim the object-baby in order to have the right to be mothers recognized. The King’s strategy transfers the problem concerning the indivisible all-or-nothing objects’ allocation: he moves it from the relationship between Anne and Claire, within a collectivity, to the relationship between that collectivity and others.

The result is similar to that discussed in §3: the “sacred group” (including both Anne and Claire) and the “profane group” clash in order to exclude each other from the possession of the indivisible object. A part from for historically extreme circumstances, both groups would benefit from the presence of a Third player who sets and implements the right of exclusion<sup>15</sup>. But there is a crucial difference with the analysis carried out in §3: this time the incentives for the Third/King to set his own strategy, offering indivisible objects to both groups, are missing. First of all, the Third’s incentive is missing as for the occurrence of diseconomies of scale: usually, beyond a certain dimension, the non-rival object cedes benefiting from decreasing costs (Olson, 1987: 88). Secondly, the Third’s incentive is missing because as the number of subjects grows, the public good’s supply-related costs raise *also* with regards to simple changes of the organizational form. The transition itself from one organizational mode to another is a costly process, as it requires coordination-related costs, cognitive elaboration, communication and decision-making, negotiation and mediation, influence and monitoring. For a deeper understanding, a fictitious case concerning an alien invasion aiming at vanquishing the Earth’s inhabitants will be provided. Initially, two nations, opposing each other, know that they will defeat aliens only if they ally whereas they will be defeated if facing the attack separately. It is easy to believe that a coordinated action is not too difficult to reach, and that a Third’s intervention is not strictly required. Let’s figure, instead, a second situation

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<sup>15</sup> As soon as collective antagonistic conflicts go beyond the mere form of physical violence explosion, they require a *jus in bello*. This gives to the Third the role of verifying that there exists discrimination between civilians and fighters, that a ratio between the advantages expected from war and devastation from it produced is kept, that the victims (injured, ill, castaways, prisoners) are protected, and so on. In the extreme case of absence of a *jus in bello*, it seems difficult even to set the conflict’s limits, the stake (or stakes) and when it ends. See Kaldor (1999).

wherein we count two hundreds nations on Earth. The stake is the same for each of them: their inhabitants' life. Any nation is willing to commit. But, not even the incumbent tragedy can wipe away coordination obstacles. Many subjects have to accept mutual rules, and this means renouncing to mistrust, resistance and temptation to negotiate. Although this can happen, it requires time and the delay might entail everyone's defeat. Moreover, if we consider additional general difficulties, such as an incomplete information that makes uncertain the terms for adequately responding to the alien attack, or an uncertainty regarding the enemy's actual intentions, the probability that some nations choose a wait-and-see behavior, while others try to separately make an agreement with the invaders, increases. Lastly, if the public good's supplied technology indicates that the minimum alliance able to lead to a success is composed, let's say, uniquely by rich nations, all the others can be induced to defect, therefore facilitating the enemy's penetration and victory (Sandler 1997: *xiv-xv*; see also Sandler, 2004).

Therefore, when diseconomies of scale and costs related to the transition from an organizational form to another one arise, as the non-rival object's dimension grows, the emergence of an inter-group King is as little plausible as the probability of a sudden and coordinated response to the alien invasion carried out by the whole planet together (that is, the reach out to a cosmopolitan government). This conclusion meets the one suggested by realist theorists in the analysis of politics: in inter-group (and, in the modern era, in inter-national) relationships the prevailing and enduring tendency is anarchy, namely the friend-enemy logic of antagonistic conflicts.

## **7. Concluding remarks**

A pleasant way to tell about the partition between divisible and indivisible economic phenomena can be found in the novel *The £ 1.000.000 Bank-Note*, by Mark Twain (1893). Henry Adams, the protagonist, is a poor man, but he receives as a free loan for one month a banknote whose value is so high that nobody can change it into lower denomination banknotes. The paradox resides in the fact that, the Bill becomes useful to Henry right because it cannot be traded with anything else, as it is not divisible. Everyone gives him credit, thus notoriety, and eventually reputation. Hence

Henry starts a business simply giving his word and become rich for real, before giving the Bill back. The novel's amusing and disorienting effect is generated by setting indivisibility in the core of the divisibility's paradigm: money exchange. Twain surprises us telling that an object can be highly relevant just when nobody can or want to subdivide it.

On my side, I argued that indivisibilities are at the centre of economic theory not only because individuals rarely can or want to limitlessly divide assets, inputs and activities or only because they are concerned with economies of scale, externalities and public goods; but also because – as Mancur Olson suggests in the opening phrase – they contribute to explaining social and political phenomena<sup>16</sup>. In particular, I have considered conflicts upon social objects that would lose the majority or totality of their value if they were shared. I focused on one of those conflicts' execution mode, i.e. on player fighting for the right to keep her/his opponent out of the exclusive access to the object. I examined the way the contending subjects need a Third player who can impose the respect of the rules, and I questioned whether this Third player would contemporarily satisfy his own interests. I affirmed that an object featuring non-rivalness is the only one manifesting an indivisibility that, although undivided, does not promote the conflict.

Hence I have argued that a form of non-rivalness is a collectivity's imaginary, which relies in the partition between the sacred space – where the collectivity is placed – and the profane sphere. This form allows the group to recognize itself, but at the same time it transfers the indivisibilities' conflicts onto the relationships with the external and extraneous groups.

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<sup>16</sup> In an interview released to Richard Swedberg (1990), Mancur Olson talks about his research project focused on the analysis of indivisibilities, through which he intended to move forward to a convergence of social sciences. Although only a few traces of that project are left, yet they represent the main source of our inspiration.

## *Chapter three*

### *The four figures of gift:* **kula, potlatch, dan and hau**

#### **1. What is gift?**

«The classic point of reference for thinking on gift-giving and reciprocity is the famous text by Marcel Mauss, the nephew of Emile Durkheim, *The Gift*, published in 1925, deals with the anthropological research on economic exchange from a systematic and theoretical point of view. Mauss synthesized the research of his time, especially that of Bronislaw Malinoswski and Franz Boas, and laid the foundation for economic anthropology. All subsequent social theorists pondering the gift refer to his work» (Adloff, 2006: 412).

I shall briefly recall five of the most relevant post-maussian definitions of gift: the economicistic, the dichotomous, the anti-utilitarian, the purist and the continuist. In regards to the economicistic conception, *gift is an enforcement-less voluntary exchange*. Its voluntary nature excludes that it rises under duress or from moral obligation. The absence of enforcement (either contractual or of any other kind) makes gift not binding: who receives one can also decide not to return something else. It follows that the gift beneficiary returns it by deciding timings and amount as s/he wishes. By calculating the optimizing decision, the donor's and beneficiary's utility function can therefore include, next to the usual material and monetary incentives, more refined reasons such as reputation, equity or gratitude. The essential thing is that none of these additional reasons tarnishes the voluntariness of the choice (Akerlof, 1982; Stark & Falk, 1998).

The dichotomic vision compares gift exchange with commodities exchange, and it has been particularly supported by Gregory (1982) and Carrier (1991). Gift economy privileges relationships between people rather than those between things:

instead of producing commodities by means of commodities, it makes them circulate as if they were people. We donate, waiting for the other to accept and return our gift: we enter a reciprocity circuit. We donate, by circulating means that express our position within the society: that represents us and never totally alienates from us. We donate, eventually, by establishing to give, accept, and return: we integrate the exchange into a relationship with the counterpart. Therefore, while means trade is the voluntary bilateral alienation of commodities between anonymous subjects, *gift is the mandatory transfer of an inalienable commodity in the range of a social relation.*

According to the anti-utilitarian vision, also supported by the exponents of M.A.U.S.S., gifts are «those goods that serve the creation and consolidation of social bonds, and what firstly matters is not their usage value or trade value, rather what we could call bond value» (Caillé, 1994: 9). The sphere where gifts circulates differs, though is not in contrast, from those of monetary and political redistribution exchange, and places itself at the same distance in between egoism and altruism, interest and selflessness, compulsoriness and freedom. It expresses a giving desire that, amongst humans, is as important as that of receiving. Therefore, gift is *«any performance of goods or services that is carried out with no guarantee of return, and with the only aim of creating, enhancing or recreating the social bond among persons»* (Godbout, 1992: 30, italics added).

In the purist conception Derrida (1991) observes, countering those that emphasize the reciprocal and relational dimension, which a gift arises from the lack of reciprocity and personal connection, as it consists in offering something with no reward expectation, and in receiving with no obligation. «Derrida suggests three conditions implicit in the idea of a gift. Firstly, there must be no reciprocity. The gift must neither be in return for a previous gift nor anticipate any future return. Gift giving cannot, in short, involve any calculation or interest. Secondly, and for the first condition to be met, the recipient should not acknowledge gift as a gift, as this would lead to a feeling of indebtedness and the obligation to make a return. Thirdly, the giver should also not acknowledge gift as a gift. Even if the giver does not expect reciprocity from the recipient, acknowledging to have given a gift would still allow him/her to derive satisfaction or gratification from his/her action; that is, the recognition would still lead to an exchange, even if only internal to the giver» (Venkatesan, 2011: 47). As soon as goods are perceived as gifts, they then become

involved in a giving-accepting-returning cycle and cease being gifts; «we cannot even speak of a gift without making it disappear» (Laidlaw, 2000: 621). The “impure” gift is contradictory, because it lends in order to have back; however, every transactional mechanism, either mandatory or voluntary, implicates the possibility of returning as a sort of convenience or interest. Hence, *the “pure” gift consists into a one-sidedness transfer of something to someone, with no reciprocal acknowledgement nor reward whatsoever.*

Lastly, in the continuist conception, the gift-commodity dualism is radically forsaken. Gift sphere and commodity sphere are superimposed inasmuch as the roles can even swap: the choice of goods based on an explicit assessment can concern gifts, while in the consumption process, commodities can be drawn from the market and made social or personal (Miller, 2001). I placed this conception at last, as it marks the evanescence of the need itself of a peculiar definition of gift.

I shall now summarize. Gift meant as a “wonky” mercantile trade; as a generalized interpersonal transaction; as a reciprocal offer with no equivalence of value; as a self-less action that denies itself; as a possible demonstration within the consumption of goods (and vice versa). All these five definitions seem not to have a common foundation that could determine a substantial convergence. In §2 I will examine the theoretical features of non-mercantile, appropriative and mercantile economies in order to verify how and where the phenomenon, or phenomena, of “gift” might be placed. In the following four paragraphs I will linger on a theoretical reinterpretation of an equal number of ideal-typical patterns of gift, which recur in the anthropologic literature: *kula*, *potlatch*, *dan* and *hau*. The §7 concludes.

## **2. Non-mercantile, appropriative and mercantile economies**

There are numerous anthropologists that, by pondering about differences between goods and gifts, have recalled the Marxist analysis of capitalistic commodification (e.g. see Graeber, 1996). The interpretational operation that I suggest is different as it does not relate to Marx, rather to one of the most original and undeservedly unpopular Marxist scholars: Alfred Sohn-Rethel.

I shall briefly recall an aspect of his contribution. In the capitalistic society the generalization of market occurs. Each worker produces goods according to private modalities, while the socialization of production indirectly takes place through the mercantile trade. Whilst circulating on the market, goods are not considered for what they are (usage value), rather for what they are worth (trade value). More precisely, it takes place the abstraction from the concrete usage value of sundry goods on the market, which are all quantitatively valued as commodities, or rather as generic wealth. Commodities are not equal, it is the exchange that makes them such. On the market, indeed, it happens that  $x$  commodity A =  $y$  commodity B. So far, yet Marx (1863).

However, how can the exchange equalize, in terms of value, commodities? What is the process that distracts from the several usage values of goods, in favor of abstract equalizations of their trade values? By wondering such questions, Sohn-Rethel executes a shift of theoretical attention from the commodity-abstraction, which Marx's consideration concentrates on, onto the trade-abstraction. His answer observes that, whilst traded amongst their owners, commodities must be suspended from any usage deed. During trade actions, the only allowed change concerns the owning status of commodities, whereas their status as objects of usage deeds must stay unvaried. *The fact that usage deeds are not executed is the prerequisite for making trade deeds happen.* «The trade action only changes commodities' social status, or rather their status as their owners' property. In order to regularly realize this social mutation according to their norms, commodities must be exempt from any contemporary physical change, or they must be considered materially immutable. Trade is then abstract throughout its whole duration. In this case, "abstract" means that every signs of a possible usage of the commodity are detracted. [...] On the market, the usage of things stay "mere representation" for the people concerned. By creating markets, the human beings' imagination separates from their actions and slowly individualizes in their private awareness. (Sohn-Rethel, 1970: 43-44, my translation).

The hub of Sohn-Rethel's thought concerns the circumstance for which every trader learns to discern usage deeds of goods, limited within a private setting after the market closing, from trade deeds, during whom the concrete qualities of certain goods stay unvaried. In the market, the trader's interest towards using a certain good

cannot be translated into action; rather it must be expressed on the imaginary level: commodities are placed behind the display window and cannot be touched; subject and object are separated from an invisible barrier as hard as glass. *Commodities express an identity that cannot vary throughout the duration of the exchange*; their circulation is a pure movement, through an abstract space-time, with no qualitative connotations. In trading, human beings' actions are abstract even before their thoughts. However, in a long term the mental representation of trade becomes abstract too. In order for it to happen, currency must intervene. The latter is the symbol-commodity that, according to social agreements and political ratification, has to be considered devoid of any usage peculiarity.

«In coinage, the previous relationship by which the value of a commodity serving as money was subordinated to, and covered up by, its material status is reversed: now the social form of value makes use of a certain and particular natural form for its purpose. Any coin has it stamped upon its body that it is not to serve as an object of use, but rather as a means of exchange. [...] The coin constitutes the conjunction element through which trade abstraction turns from being social to awareness and can become conceptual abstraction. Anybody who carries coins in his/her pocket and understands their function, bears in mind, whether s/he is aware of it, ideas which, no matter how hazily, reflect the postulate of the exchange abstraction. Indeed, s/he concretely deals with coins as if they consisted in an indestructible and uncreated substance» that mediates every exchange (Sohn-Rethel, 1976: 126-27, my translation). Those conceptual abstractions that reside in the coin owner's mind cease, in the exchange abstraction, every change of nature, and more generally of any extra-human process. Nature is discerned from society as mere object world, as well as usage values are discerned from monetary values. That drives the trader to abandon those (magical-mythological) representations where human communities and nature interpenetrate. Hence, according to Sohn-Rethel, the deepest anthropological discontinuity introduced by the "pure" mercantile exchange consists in the temporal severance between usage deeds and trade deeds. If we cannot produce nor benefit from goods while trading, it means that their features are not conveyed, they stay unvaried; and that, as we can only imagine these features, we replace the direct experience with its abstract representation. Money is the social pattern (whom is increasingly abstract itself, from money-commodity, to money-pawn, to virtual



money) which synthesize this severance. On the contrary, the “pure” non-mercantile economies are those where acquisition of goods superimposes their usage, as well as circulation superimposes production and consumption; they are those where human beings keep in consideration the concrete qualities of goods throughout every economic activity; those where changes in nature and in society interpenetrate; those where both goods and people can see their identities modifying during the exchange. Therefore, *goods trading can turn into commodities trading only if it disregards usage deeds.*

Obviously, “pure” mercantile economy – where commodities trading is the only *nexus rerum* – and “pure” non-mercantile economy – where peers have direct relationships in regards to production, circulation and consumption – are ideal-types whom never end the close examination of an historical society. In particular, every pre-capitalistic society has also been based, as Sohn-Rethel states (1970: 96), on the asymmetric seizure of somebody’s goods by somebody else. Formally, as a commodity trading act, *the seizure deed is also separated from the usage deed.* Confiscated or handed goods are, indeed, not altered while being gathered, in order to be used in further places and times; they are, also, treated as quantitative unities that can be registered and calculated (as, for instance, the imperial official used to do in ancient oriental societies). However, that does not necessarily imply that an economy based on compulsory one-way conveyances coincides with a market economy. The biggest difference concerns the role of those that acquire goods: whereas, in trading, the purchaser becomes owner of the commodity and introduces it in a private sphere, the one who carries out the seizure is member of an overall hierarchical power and answers to it for any future usage of the appropriated goods. This difference impacts the conscience of those who carry out appropriation deeds: for them, the foundation of abstracting from usage deeds does not consist, as for commodity traders, into the domain of trade value on usage value, but rather it consists in belonging to a social or political organism that counters individual goods and subjects’ qualities, in favor of an impersonal reproductive mechanism.

I shall now direct my attention to economic subjects and specify a few considerations that Sohn-Rethel does not express, as I consider them coherent to his approach. In commodity circulation, severance between usage deeds and trade deeds entails a subsequent severance amongst people, as private producers only come into

contact by means of the exchange. Nevertheless, if social relations are not directly manifested, in trading some typical attributes of relations amongst things feature relations amongst people. For instance, a relation between private jobs (weaving and spinning) is expressed as a relation between commodities (canvas and thread) which are mediated by the exchange monetary value. This is a process of people's "reification". On the other hand, economic estrangement of subjectivity, as well as in mercantile economy, also occurs in appropriative economy. In appropriation, some typical attributes of relations amongst people feature relations amongst goods: the severance of usage deeds from dispossession deeds implies that subject A's power or prestige towards subject B is integrated in, and manifested by, the value of goods that B transfers to A. This is the process of "fetishism" or personification of things. In mercantile economies economic subjects are not able to express and modify their identity during mercantile trade or appropriation deeds, because they are separated from usage deeds. As well as goods identity shall stay unvaried, subjectivity shall stay objectified. Both who trade commodities and who are related to an expropriation nexus, are not persons, because trade or compulsory one-way transfer disregards them as such. In Figure 6, whom illustrates the argumentation we have been through, we shall highlight that in the first line, the junction between usage deeds and trade deeds of goods neither generates fetishism nor reification. Nevertheless, that does not mean that this junction coincides with a situation of idyllic harmony between people and things, but rather that there is *no* demonstration of any of those economic estrangement modalities that we could observe in other ideal-typical situations. The theoretical scheme represented in Figure 6 consents to reconsider the concept of gift.

If we accepted a definition of gift as an economic category that differs from commodities and compulsory one-way transfer, that would be referred to line (1). Moreover, Sohn-Rethel's approach, as well as Marx's, asserts that every economic society reproduces itself through the controversial cohabitation of different regulating criteria. We could have (1) and (2), as in archaic market-less societies; or (1), (2) and (3), as in pre-capitalistic and capitalistic societies. It follows that criterion (1) is always interwoven to other criteria that generate fetishism and/or reification. There is no goods exchange that is not blended with those economic relations that separate usage deeds from trade deeds and that, therefore, generate forms of subjectivity estrangement. Therefore, the economical practice of gift is always soaked with the

economical practices of commodities and compulsory one-way transfers, whatsoever. Any theory concerning gift cannot do anything but reintegrating criteria (2) and (3). This thoroughly explains the wide ambiguity of Mauss’s reflection: the practice of gift is both this *and* that, or rather it appears as contradictory, as who *donates is also the one who gathers resources and trades commodities*. The logical-analytical possibility of formulating a perfectly coherent concept of gift has, then, little importance, since it is *not possible to theorize anything but a “contaminated” gift*. In the following paragraphs I will delve into this direction.

		Acts of Use			
		Combined with the	Separated from the		
Acts of exchange of goods	X				1
Acts of appropriation			X	Fetishism	2
Acts of exchange of commodities			X	Reification	3

**Figura 6: Non-mercantile, appropriative and mercantile economies**

### 3. *Kula* as availability to receive

Attention is often solely captured by the circle: *donner, recevoir, rendre*. By forgetting a crucial and deflecting remark by Mauss (1923-24: 188): «in the most complete, solemn, elevated and competitive form of *kula*, that of great maritime expeditions, *Uvalaku*, the rule states to start by having nothing to trade or do in order to receive back some gifts, even only food, whom are not even explicitly requested. It is all about pretending to do nothing but receiving. Gifts will be given back as usury, only when the visiting tribe will be hosted, the next year, by the visited fleet». *The initial move does not consist into giving, but rather into being available to receive*. One who gives something shows to own resources and power. One who offers a gift

is already risking goods and honor, in case the counterpart does not accept or give something back. Rather, *kula* starts in its most complete form when somebody wishes to enter a “social game” whom s/he was not invited to: when the visitor asks the host to be involved in interaction. One who reports the availability to receive is voluntarily showing her/himself vulnerable, needy, ready to establish reciprocal alliances that, with time, will be giving something back to the partner. One who is carrying nothing while visiting the other, is simply offering the possibility of a future collaboration.

Therefore, *kula* (in its complete form) can be interpreted as *the strategic universal ploy that connects a group to another one*. This move can generate each of the typical modalities of socio-economic relations in ancient communities: ritual exchange of gifts (*kula* in its reduced form, always beginning with *donner*); administered or agreement-based commerce; market commerce (Polanyi, 1977: 130-34). It is, for instance, enlightening to compare *wasis* (reduced form of *kula*) to *emporium* (market commerce-based form). Mauss (1923-24: 200) states: «A highly similar relation to *kula* is the one related to *wasi*. That establishes regular trades, whom are mandatory between people of agricultural tribes and, on the other hand, of maritime tribes. The farmer lays his products down in front of his fisher fellow’s home. The latter, in another occasion, after a rich fishing activity will head to the agricultural village to return, by giving the fishing outcome, the received gift on a usury base». Polanyi (1968: 233) notes down: «Carthaginians, according to Herodotus, used to performance sort of a silent barter with African coast indigenous, by trading their goods with gold. The vigilance used to induce both parts to head in turns for a place nearby the shore, where they respectively dropped a certain amount of goods and gold, and they used to repeat this operation until the other side was satisfied with the offered amounts; then, both parts used to leave the place with their purchased items, not even facing each other once».

The link between *kula/wasi* and *emporium* lays in the fact that both are oriented towards the integration, in a wider community, of actors and/or reciprocally extraneous groups. Moreover, and most of all, they have in common the fact that they both have had, as a foundation moment, availability to receive, or rather the complete *kula*. I may represent this theoretical issue by recalling the language used in the games theory. In particular, in this and in §3 I will represent simultaneous games between two actors, initially having at their disposition a set of two pure strategies

(cooperating – not cooperating). The games are represented in a normal form, by setting up charts displaying the possible choices, known as matrixes of the payoffs associated to each combination of strategies. The ordination of payoffs – whom are not necessarily related to money or other practical measures – aims at representing the consequences of behaviors, and attributes different weights according to whether the result has produced benefits or not. Both *kula/wasi* and *emporium* occur in low-institutionalization contexts. Mechanisms of agreements enforcement are, therefore, not available: there is a lack of contracts stating what and how to trade; surveillance and control structure: sanctioning structures for deals cheaters (North, 1990). In this situation, it is hard to trigger and maintain cooperation.

	<b>C</b>	<b>D</b>
<b>C</b>	<b>R</b>	<b>S</b>
<b>D</b>	<b>T</b>	<b>P</b>

C is 'cooperation'; D is 'defection'. R is the payoff if both players cooperate. S is the payoff when the first player cooperate and the second defect. T the payoff when the first player defect and the second cooperate. P is the payoff when both players defect. It is assumed that  $T > R > P > S$  and  $2R > T + S$ .

Source: Nowak (2012).

**Figure 7: Prisoner's dilemma**

Let's figure two players that, autonomously, pick two strategies: either cooperation or defection. Let's assume that Tom plays against Dick for a public good, and that unit costs related to the good's supply are higher, for him, than unit benefits. The worst case scenario for Tom is option S, when he is the only one collaborating while the other defects. Option P, which sees none of them collaborating, could be set on the third place. On the second, instead, we find option R, occurring when both do; whereas the best case scenario is option T, which verifies when Dick collaborates whilst he does not. Dick's strategy is exactly the same as Tom's. The greatest

advantage, then, pushes both towards defection; however, as everybody defect, nobody is engaged in providing the public good. In other words, the converging option – that of no collaboration from both sides – is sub-optimal, because if everybody were engaged, the public good would be provided and they would all benefit from it. This paradigmatic solution, named “the prisoner’s dilemma” and described in Figure 7, has been widely discussed in literature (Nowak-Highfield, 2011).

One of the most effective ways to resolve the dilemma is based on reciprocity, meant in this context as a tendency to kindly respond to kindness, and to avenge betrayal. In the field of reciprocity-based strategies, tit-for-tat has been far considered the most solid: it consists in beginning with cooperation and in simply copying the contestant’s former decision in the next ones (Axelrod, 1984). More recently, however, it has been illustrated that this strategy is vulnerable within non-institutionalized environments, such as *kula/wasi*’s and *emporium*’s. Indeed, if a player stumbles on unintentional mistakes (e.g., s/he gets offended by a kind gesture executed by the contestant) these are not easy to be deciphered and communicated between playing subjects or extraneous groups, hence they are hardly correctable. Therefore, an accidental defection takes to mutual defection cycles (either groups clash or they detach from themselves), until a further mistake corrects the incomprehension. On another hand, a further evolutionary stability is expressed by the strategy named ‘generous tit-for-tat’, whom considers addressing a defection with another defection only in (approximately) two thirds of cases: the latter strategy *forgives* more than tit-for-tat’s, and is hence immune from occasional mistakes (Nowak and Sigmund, 1992).

The ‘generous tit-for-tat’ strategy effectively expresses *kula/wasi* and *emporium* features. Indeed, it only reacts to part of betrayals, and keeps, at the same time, the ability of replying: it is able to re-launch cooperation without laying down the arms. Nevertheless, this strategy’s limit lies in being placed within the ‘prisoner’s dilemma’ coordinates which, as I reminded, only consider the options of cooperation and defection. In order to represent *kula* in its complete form, it is now necessary to add a third type of strategic option: drawing back from the social game, or rather refusing the interaction with the other player. Games that allow this option are named “optional games” (Hauert *et al.*, 2002); I shall present them through a very simple

and immediate example. Let's assume to consider a bus as our example of public good. In the first scenario we pay the ticket, namely we give our contribution to financing and/or producing and/or maintaining a social asset. In the second case we take our journey for free, namely we defect from the mass behavior, by letting our engagement fall on the others, through a redistribution/appropriation strategy that we benefit from. In the third scenario using the bus is optional, and we assume that all those who decide not to go on board will walk. The latter is called "the loner strategy": somebody who neither cooperates nor defects, but rather avoids being involved in the society game.

	<b>C</b>	<b>D</b>	<b>L</b>
<b>C</b>	R	S	E
<b>D</b>	T	P	E
<b>L</b>	E	E	E

If no game occurs, then both players receive payoff E.  
 If  $R > E$ , cooperators C dominate loners L.  
 If  $E > S$ , defectors D dominate cooperators C.

Source: adapted by Nowak (2012).

**Figure 8: Optional game**

A single player's decision of not taking part to the game is sufficient for the game not to take place: in these cases, that are five in figure 8, both subjects obtain a payoff E ('Exit'). Let's assume that cooperators' payoff R exceeds loners', E; moreover, that loners' payoff E exceeds defectors', P. This creates a dynamic sequence along whom: «the three strategies exhibit cyclic dominance: if cooperators abound, it pays to defect, but if defectors prevail, it is best to abstain, and if no one participates, small groups might form and render cooperation attractive again» (Hauert & Szabo 2003: 33). Moreover, and most of all, the game opens up to new

players. Indeed, the second best scenario for all players is option E, occurring when the game does not take place, whereas the best one is option R, when both collaborate. Under this condition, represented in Figure 7, it is convenient for the loner to take part to the game only if s/he cooperates or returns the other's cooperation: s/he only participates to the extension of the community by offering a gift or returning others' gifts. This is *kula*.

#### 4. Competitive gift: *potlatch* and *thymòs*

As second theoretical figure, gift is a strategy that destroys resources, both of individuals and of the community. Instead of envisaging a return, it is intransitively addressed to *dépense* or waste-based consumption. According to George Bataille, its canonical or ideal-typical form is *potlatch*. During these meetings, that lasted several days, Indians from the north-west coast of America used to show the hosts their wealth and relevance by distributing their own possessions, in order to push them to return in terms of similar or greater amounts of goods. The latter is a form of asymmetrical acknowledgement, where the ones who publicly establish their credentials in the dare of ceremonial destruction of resources, and place themselves upon an upper rank than the others, win. The challenge manifests itself through glorious behaviors concerning celebrations, luxury, games, wars, arts, initiations, weddings or funerals; each challenge «is glorious, as it is beyond calculation, sometimes» (Bataille, 1949: 118, my translation). «Consuming and destroying are limitless indeed. In some *potlatch* you need to give everything you own, and save nothing. In such circumstances, competing is all about showing to be the most wealthy and foolishly lavish of all» (Mauss, 1923-24: 212-13).

*Potlatch* is a social behavior rooted in the need of acknowledgement. Proceeding beyond Bataille's work, though not, I believe, beyond his spirit, it is widely similar to *thymòs*, typical of the western philosophical tradition. This notion finds its origins in Plato's work (390 b.C.), that «in volume IV of the Republic describes soul as made up by three parts: a rational one (*loghistikón*) that reside in the head, an appetitive and covetable one (*epithymeticón*) that reside the viscera, and an irascible or spirited one (*thymoidés*) that reside in the heart. A great part of human



behavior can be expressed by a combined intervention of the appetitive part, which drives men to seek their dreams, and the rational one, which shows them the best way to obtain and spend them. Other than these, men also, and most of all, seek the acknowledgement of their asset, as well as that of people, things, ideas or principles they care about» (Galimberti, 1999: 592-93, my translation).

*Thymòs* is the irascible mind – from the verb *thyò*, to soar or fumigate, same root as the Latin *fumus* – that supplies a missing or insufficient acknowledgement (Bodei, 2010: 9 and 115). Bataille (1939-45: 52) describes *potlatch* exactly by using the same words as Plato's for *thymòs*: «*potlatch* is the portrait of a human heart: turbulent, generous, but also aggressive». *Thymòs* (or *potlatch*) is the pursuit of glory, «the desire of power, fame and wealth that, in most cases, is the desire of importance. Obviously power, fame and wealth are partially desired for what they bring along: assets, pleasant experiences, convenient contacts. However, other than these particular things, power, fame and wealth also imply, in a substantial way, importance in its two forms: to have an effect and to be considered. Moreover, they symbolize *to be* important» (Nozick, 1989: 183). The next chapter will be devoted to deepen this concept.

The pure – and most famous, in the western ancient world – expression of *thymòs* is the Achilles' wrath: his anger, as an unconstrained passion, towards the ones who denies his glory. Another great literary character owned by *thymòs* is King Henry V. In Shakespeare's world (1598-99, act 4, scene 3, p.2):

I would not lose so great an honor  
As one man more, methinks, would share from me,  
For the best hope I have. Oh, do not wish one more!  
Rather proclaim it, Westmoreland, through my host,  
That he which hath no stomach to this fight,  
Let him depart. His passport shall be made,  
And crowns for convoy put into his purse.

The gap between Henry, the heroic warrior, and the purchase of a wine bottle is, obviously, very wide. We shall, however, consider this prosaic and trivial example: «Je vais acheter une bouteille de vin pour l'apporter chez des amis qui

m'ont invité. De quelle valeur? Dans ma tête, il y a la chiffre de 20 dollars qui flotte. Il s'agit là d'un don conventionnel à faible valeur de lien. Je me retrouve devant une bouteille de vin italien que, je le sais, mon hôte apprécie particulièrement: 40 dollars. Je la prends, dans un geste 'gratuit', sans raison. C'est une petite folie, un certain excès par rapport à la norme, à la règle, à la convention: c'est le moteur du don» (Godbout, 2007: 115). Although less extreme, this example still concerns *potlatch* as in regards to the constitutive presence of excess within gift deeds. The gap between King Henry and the uncontrolled consumer that hangs out in a shopping centre is still notable.

The latter's behaviors have been object of several interpretation keys, amongst which the need of status (Veblen, 1899) and the attention to a social position related to a reference group (Hirsch, 1976) stand out. Yet, the logic of excess adds an unavoidable element. «A fuller explanation of the global consumption boom should also take account of the ephemeral joy and wonderment that can be derived from momentarily transcending the boundaries of necessity and indulging in a fantasy of unlimited abundance» (Martínez, 2010: 610). Still, *potlatch*.

As it has been said in §3, the hub of social sciences' reflection on the issue of human cooperation concerns "the prisoner's dilemma", according to which there is no (sufficiently solid and general) way to lead the other towards the voluntary choice of cooperating. Yet a limit of such approach lies in only considering the defection from contributing to a public good, whilst there is a lack of attention to thymotical, or *potlatch*, or resources-and-wellness-destructive behaviors. Moving back to the bus metaphor, let's assume to pay the ticket or to take our journey for free. However, let's also assume, as an additional strategy, that besides not paying any ticket we damage the vehicle for our own fun. The latter scenario destroys social wealth, namely it lowers the level of public good. That might not happen for serious and well-grounded matters related to an economic miscalculation, rather for – thymotical – vandalism (for the sake of destroying something) or to look cool in front of fellow friends or a girlfriend. (I shall ignore any other possible destruction of private belongings). Figure 9 represents this scenario. As it shows, the best option is  $H_1$ , occurring when both players have the willingness to wreck. The second best one is option  $H_0$ , when only one player wrecks. Options  $T$ ,  $R$ ,  $P$ , and  $S$  follow, as in the "prisoner's dilemma" shown in Figure 7.

	<b>C</b>	<b>D</b>	<b>W</b>
<b>C</b>	R	S	$H_0$
<b>D</b>	T	P	$H_0$
<b>W</b>	$H_0$	$H_0$	$H_1$

If one player wrecks, then both receive payoff  $H_0$ .  
 If both players wreck, then both receive payoff  $H_1$ .  
 It is assumed that  $H_1 > H_0 > T > R > P > S$ .

**Figure 9: Potlatch game**

### 5. *Dan* as asymmetrical gift

As third theoretical figure, gift is an asymmetrical socio-economic relation. This «necessarily takes us beyond Mauss' lesson, where an unbalanced regime of economic relations could only occur as a consequence of a gift spell breakage» (Libanora, 2008: 277). As a tribute to the analysis of hindu practices, with whom Jonathan Parry (1986) introduced this issue to anthropology, I shall name asymmetrical gift *dan*: «Under certain circumstances, gift giver of inferior status may obtain rewards by two forms of hierarchical exchange: by cultivating a clientist relationship or by the granting of favours from one's superior. In either form the transaction is no longer gift exchange in its original sense» (Yan, 2002: 80). I hereby focus on the second modality: the suitor with a superior status donates to the one with an inferior status. The examined case is the key situation in capitalistic societies: the contract binding entrepreneurs to wage earners.

Marx points out that in a stationary economy, wage could be equal to the price of production capacity, namely the capitalist would pay, for the worker's

performance, the price that equals demand and supply. In an expanding economy, as the capitalistic economy typically is, workers demand increases and wages might rise. Nevertheless an “industrial army in reserve”, or an unemployed people reservoir, that pushes to enter work market and lowers wages on subsistence level, develops. Hence, the entrepreneur can limit her/himself to give the worker an equal sum to the price of the reproduction means of the worker. If s/he manages to lengthen/intensify the working time of the wage earner beyond the necessary time to repay her/his wage, the surplus constitutes her/his profit (for a canonic presentation, see Sweezy, 1942). This theory has been countered by the fact that wages non-occasionally exceed the level that would equal supply and demand. George Akerlof (1982) interpreted this situation in terms of partial gifts trade. «According to this view some firms willingly pay workers in excess of the market-clearing wage; in return they expect workers to supply more effort than they would if equivalent jobs could be readily obtained (as is the case if wages are just at market clearing)» (Akerlof, 1984: 79). Akerlof’s approach, however, examines the employment contract in terms of a *symmetrical* almost-gift, where the wage earner returns the capitalist’s far-sighted generosity. He removes the “harsh” power nexus that leads the labour market.

More relevant, instead, for the argument I am treating, is the theoretical model presented by Samuel Bowles and Herbert Gintis (Gintis, 1979; Bowles & Gintis, 1992). In this model workers, by not owning assets, have to be in the service of entrepreneurs. The latter, by having the power of employing and dismiss them, controls their earnings. This control is as high as, for the worker, is the cost of losing her/his job: the more s/he is not able to easily access other employment positions with a similar wage, and cannot receive in a long term an adequate unemployment benefit, the higher for her/him will be the dismissal cost. I name ‘reservation wage’ the remuneration level to which the worker would be willing to resign: below that level, the opportunity of working looks worse than that of not working. If the entrepreneur paid the reservation wage, s/he could not order the worker to engage her/himself beyond the minimum amount of work: the threat of dismissal would leave the worker indifferent, as well as the reservation wage would leave her/him indifferent about whether going to work or not. Only a higher wage could make the worker willing to keep her/his occupation, hence to second the entrepreneur’s orders. It is even possible, as in Akerlof’s model, which every further increase of remuneration is

returned by a higher devotion in the worker's performance. That continues until the moment when wages increases do not lead to an increase of working engagement able to reduce the unitary cost of labor anymore: this will be, for the entrepreneur, the efficiency wage.

This model's main implication is the presence of involuntary unemployment: there might be extra workers available to accept remuneration level which is lower than efficiency wage, and even lower than employed workers' reservation wage; nevertheless, it is not convenient for entrepreneurs to employ them. On the labor market, supply and demand are not balanced because «employers have no desire to change the wage offered, employed workers have no interest in changing the level of effort supplied, and workers in search of a position can do nothing but await an offer at the equilibrium wage» (Bowles & Gintis, 1992: 339). Let's consider the differences between Marx's explanation and Bowles and Gintis'. According to Marx, entrepreneurs pay the reservation wage as an external process – continuous setting up of an industrial army in reserve – lowers the worker's claims. According to Bowles and Gintis, instead, entrepreneurs give an asymmetrical gift to workers, by increasing remuneration beyond the reservation wage, because this poison-gift is the tool to obtain their obedience and devotion; it follows that unemployment endogenously generates itself. According to Marx, trade is amongst equals on the market: the entrepreneur pays the worker exactly according to the price of her/his working capacity. The power relation (exploitation) is situated in the production place: the entrepreneur has, as stated in the contract, the worker at her/his disposition for (we assume) eight hours a day; this availability does not correspond to qualitatively determined and precise tasks; hence, the entrepreneur can “squeeze” the worker so that (we assume) in the first four hours s/he returns the wage, whilst in the following hours can operate to the entrepreneur's advantage. According to Bowles and Gintis, instead, market is blended with gift. The subject that has power on the market donates to the weaker subject more than the latter would be able to obtain. However, s/he does it in order to maximise her/his earnings. Indeed, a wage increase reduces the labour cost, when passing from reservation wage to efficiency wage allows obtaining the worker's voluntary compliance on the production place. The asymmetrical gift circulates on the market, so that the return occurs in the production process. Power is already set within mercantile trades, so that the work

relation can be based on submission. Without the poisoned gift of efficiency wage, the entrepreneur could only exercise command and surveillance, though s/he would not obtain compliance in the factory or office. Moreover, in capitalism it works as well as in another fundamental market: that of credit (Bowles & Gintis, 1993). Hence, *power as hegemonic capacity arises, on the main capitalistic markets, from asymmetrical gift*. More generally, asymmetrical gift establishes itself on the market when the purchaser offers the seller a contract including a contingent renewal: s/he proposes a price, and binds her/himself to proceed trading until s/he assesses the quality of the supplied goods/services as adequate. This is the horizon of credible threat or of the “stick”: the powerful suitor can interrupt the exchange. Nevertheless, the threat is credible as long as the seller takes a special advantage from the exchange, namely *as long as that exchange includes a gift*. The supplement of contingent renewal is enforcement rent: the seller receives a remuneration that exceeds market price, so that s/he is driven to offer a higher level of quality. This is the horizon of the “carrot”: the weak suitor binds her/himself to second the powerful suitor’s requests, because s/he has benefited from a gift that other weak subjects have not benefited from. Economic power develops and reproduces itself on both horizons of capitalistic mercantile trade.

## **6. *Hau* as non-returnable gift**

In the famous interpretation of Mauss, *hau* is, for maori people, a spiritual power that binds one that accepts a gift to return it. It is a form of fetishism that, by giving goods a personality, identifies them with the donor. Hence, when fetish-goods circulate, «everybody spiritually becomes part of anybody else» (Mauss, 1923-24: 176). «The fundamental issues in Mauss’s analysis of the gift is to determine how people relate to things and, through things, relate to each other» (Yan, 2005: 249). From Malinowski to Firth to Sahlins, *hau* tends to coincide with the principle of reciprocity: the obligation of returning the received goods becomes, in the trader’s mind, the need of passing the spirit back to the donor. Other anthropologists have, instead, stated that *hau* evokes the goods’ inalienability. In particular, «Weiner argues that there is a close connection among the *hau*, the person and valuables (*taonga*)

such as cloaks, fine mets, and shells; because of this connection, valuables gain their own identity and become inalienable possessions; hence the obligation of return» (Yan, 2002: 68). According to Weiner (1992) an asset carries its donor's identity, only if it actually cannot be donated. On the other hand, an asset is inalienable if, instead of being left in one other's hands, it has only been lent: it has been transferred for some of its usage rights, but never for its possession. In order for the loan not to become a real detachment, the debt related to the loan needs to be non-returnable. *Hau* is, then, an inalienable gift because it is non-returnable, by expressing the keeping-while-giving paradox, namely the one related to an asset that is given and not completely transferred, and is not completely transferred because the other, as cannot return it, might accept it but not own it. The main category of assets that, in contemporary economic systems, circulates according to the logic of *hau* is that of "common". Commons, indeed, are «all the gifts that we inherit or collectively create» (Barnes, 2006: 14), or rather they are non-produced, shared and free assets. Firstly, unlike economic goods or reproducible inputs, common does not go through a production process. We shall think about environment, water, landscapes, natural resources, cultural goods, information and knowledge. Either they are gift that ecosystem gives to a human society, as in the case of oil fields or habitats, or they are collective creations, as in the case of languages or the internet. In other terms, either they are low-entropy energy-matter heritages for human purposes (as Georgescu-Roegen states), or they are evolutionary paths whose results are non-completely intentional outcomes of personal contributions (Menger e Hayek call them "spontaneous orders"). Common is never generated from a (planned, intentional) production process: nobody can produce a river or a forest, neither a gained and spread knowledge nor a respected institutional rule. Secondly, this rigorous non-deliverability grants common the feature of sharing: as, indeed, nobody can be assigned to the burden and responsibility related to its existence, it is presented as a good with widespread ownership, namely is benefited from members of a society, not from mutually separated individuals. Lastly, its non-reproducibility makes it free: we can, obviously, calculate in many ways the cost that takes an ecosystem to nourish a water-bearing stratum, or that borne by a society in order to elaborate and keep a language alive; however, the single water consumer, or the single speaker, do not have to shoulder expenses in order to receive those commons as such. On the other

hand, as it happens for any kind of good or resource, a common's fruition is not generally for free. Let's assume, for instance, that a potable water course is available, or that a technical language develops and establishes in our community: they are commons, but if anybody desired to use water or the language, s/he will have to bear personal costs related to root canal treatment or to learning. Moreover, as commons are free and shared assets whom a society takes benefit from to reach its purposes, it is important to shape the concrete borders of the institutional structure within which they are placed: for instance, fruition of the internet is different in Calabria and in Guandong, as technological-legal-political modalities for accessing it change. However, whatever the property rights and other institutional rules are, the theoretical point reports that it is never the common itself to be subject to propriety (or to privatization), but rather the supply of the services that it can generate. Hence, either accessing water through the tap of our own apartment, or accessing a certain provider, require specific institutional rules; though, it is not water or the internet as commons to be institutionalized, but rather the social path of their fruition. A further feature of common concerns the fact that it is used, regenerated, and valued within a *local society*. That descends from its economic properties: common, unlike private goods, is little excludable and, unlike public goods, is highly deductible (Platteau, 2008). The high excludability suggests that its consumption from one individual reduces the possibilities of consumption for one other individual. This entails that it is not managed, used and valued, as it happens with public goods, in extended societies, but rather mainly within limited communities, namely, as I would rather express, within "local societies". Local societies might not coincide with limited communities, because they are not only based on subjects' spatial proximity. Next to geographical proximity, it is necessary to highlight *cognitive proximity*, if subject share the same foundations of knowledge; *organizational proximity*, if they are all subject to a hierarchical control; *social proximity*, if their members have friendship relations; and *institutional proximity*, if they all operate within the same institutions (Boschma, 2005). The common denominator to these modalities is that they all express a relational proximity where subjects' (individuals or groups) interaction can independently flow from their physical contiguity.

Based on this theoretical scheme, I can define common as a *non-produced, shared and free asset for a society endowed with relational proximity*. Therefore,



commons are the most relevant inalienable goods in Weiner's sense: nobody creates them on her/his own, and can only contribute to their preservation/valorization; everybody can access (by bearing some costs) their services, but nobody can permanently take possession of them at the others' expenses. If we interpret *hau* as the theoretical form of gift that cannot be returned, this is mainly referred to commons.

## 7. The four figures of gift: yesterday and today

«The appropriate classification of goods (as exchangeable or not, as gifts or commodities, and so on) is often subject of conflict. Objects or relationships may move back and forth across boundaries in response to technological change, the mobilization of interested groups, or the efforts of moral entrepreneurs» (Fourcade & Healy, 2007: 301). I could add, to these reasons, another one of similar importance: several basic concepts of social sciences have polythetic feature, namely they are not referable to a single meaning root. Attempting to find the common key of the several meanings of, let's say, the terms "house", "history" or "science", is a vain endeavour. In §1 I have shown similar difficulties related to the term "gift". It is, instead, necessary to provide definitions of such concepts that assume their polysemy, instead of hiding or removing it.

The first theoretical point is that this polysemy is often structured in sequences of partial similarity: amongst *kula* and *potlatch*, *dan* and *hau*, although common features to all of them are missing, there are some elements that match, for instance, the first to the third figure, some other that match the third to the second figure, and so on. «These phenomena do not have in common something that allows us to use the same term for all, however they are tied to each other in many different ways. [...] There is a complicate net of similarities that overlap and cross one another» (Wittgenstein, 1953: 46-47; see also Chapter I, §3). Figure 10 is a simplified representation of "gift" as a polythetic concept. According to Rodney Needham (1975: 350-51), whom molded the term "polythetic", «a paradigm case was presented by the concept of "descent", a notion which in both descriptive and comparative studies had led, I contended, to typological confusion. I proposed therefore the

disintegration of this speciously univocal notion, in favour of formal criteria that represented logical possibilities. The result was the discrimination of six elementary modes in which rights could be transmitted from one generation to the next». In this Chapter I have attempted, in relation to gift, the same theoretical operation that Needham suggests in relation to descent. I have focused on four ideal-typical forms of gift, and theoretically interpreted them under relevant contemporary phenomena.

### Serial likenesses among gift systems

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<b>A</b>	<i>p, q, r</i>
<b>B</b>	<i>r, s, t</i>
<b>C</b>	<i>t, u, v</i>

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Source: adapted by Needham (1975)

**Figure 10: A polythetic classification**

As David Graeber (2011a: 508) noticed: «Starting in the 1990s, anthropology has moved away from grand questions of theory; indeed, it largely stopped generating theory of any sort». Mine was a modest and temporary attempt to proceed against the tide.

## *Chapter four*

### *Identitarian passions*

#### *The overwhelming power of the human recognition need*

Nous perdons encore la vie avec joie, pourvu qu'on en parle  
Blaise Pascal

Toutes les passions sont exag  ratrices,  
et elles ne sont des passions que parce qu'elles exag  rent  
Nicolas de Chamfort

#### **1. *Thym  s* as the identitarian need for recognition**

This Chapter argues that a very powerful and persistent way of imagining the specificity of human beings, based on the ancient notion of *thym  s*<sup>17</sup>, still persists in the cultural and philosophical landscape of contemporary “Western” societies<sup>18</sup>. I will also discuss how and why this vision, notwithstanding its undeniable bonds with

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<sup>17</sup> The notion of *thym  s* – namely, the identitarian need for recognition that human beings feel in order to place themselves within society – goes back to Plato, according to whom human beings are significantly busy in seeking the identification and recognition of their personal and social value, along with that of people, things, ideas and principle to which they assign importance (see Chapter IV, §4). *Thym  s* is characterised by two crucial facets: someone’s search for distinction from the others as well as for her/his primacy over the others. This Chapter does not concentrate on these two particular aspects. Nevertheless, I will bring to the reader’s attention one of the most debated and criticised books of the last three decades – Francis Fukuyama’s *The End of History and the Last Man* (1992) – who owes very much to this philosophic background.

<sup>18</sup> The inverted commas are here used in order to stress the still very much important and relevant legacy of Edward Said’s *Orientalism* (Said 1978; see also Chakrabarty, 2000). In my perspective, “The West” is a metaphor with a proper and complex historical genealogy (not a “natural” category), only useful to describe and link societies and nation-states to a particular kind of political economy and self-representation strategies, who are not marked, however, by geographic homogeneity. Therefore, under the category “West” one may find European states, the US, Canada, Japan and Australia, and some others.

the cultural traditions of our society, has remained alien to the conceptual horizon of the professional economists of the past and present era. According to me, indeed, the explanation lies in the fact that the subject itself of the classical political economy, and therefore of economics as a scientific discipline, has been defined in such a way to cut off the above-mentioned vision since its very beginning. Moreover, one can also add that – consciously or not – economics as both a discipline and a language acts as a kind of repressive mechanism (Turner, 1957) aims at reducing the potentially destructive characteristics incidental to *social dramas* caused by thymotic passions<sup>19</sup>.

In addition, this Chapter reveals the conditions upon which the establishment of *thymòs* among the social actors is facilitated. The aim is to suggest a sound conceptual framework through which social sciences are allowed to include this peculiar aspect of the human activity.

In order to introduce my topic, I will consider one of the most important and widespread founding myths of the classical European culture: the story of Odysseus and the Sirens narrated by Homer (around 850 BC). The enchanting music performed by the Sirens symbolizes the entry of those who are subjected to their influence in the sphere of the ungovernable and fervent passions: the sailors who are caught by their chants while navigating close to the Sirens' island will not be able to recover the ordinary route as soon as they will retrieve a full domain of rationality and self-control. According to the classical myth, despite being aware of the deadly risks he is going to face, Odysseus opts for being swept away by the flows of unconstrained

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<sup>19</sup> The notion of social drama drives us to the domain of social anthropology, and in particular to Victor Turner's studies (1979, 1986). In a nutshell, social drama refers to a unit of disharmonic social process produced by dynamics of social conflicts, namely social crisis. Social drama is a process made of four constant phases, which the Author calls *breach, crisis, redress and schism*. The notion is intimately connected to that of ritual (and in particular to the rites of passage, with their structural and anti-structural, or liminal, stages), and serves as one of the main basis for the theory of performance elaborated by Richard Schechner (1985, 2004). Indeed, I can observe from the very beginning that "social drama" clearly represents a metaphor that the Author takes from the world of theatre. In fact, Turner recognises that he took cue from the Greek drama, where «one witnesses the helplessness of the human individual before the Fates». In this case, he is saying that the Fates is the social process, and that conflicts in society are rarely only personal affairs, but that they almost always involve social relationships.

passion generated by the Sirens voice<sup>20</sup>. Indeed, he seems to adopt a challenging strategy that, at first, does not consider the payoffs associated to any of the branches of the game he is performing. Rather, Odysseus arranges a kind of design allowing him to regain his wrecked rationality in the second stage of the challenge. Thus, at the end of the process he is still able to opt for rational solutions as logical responses to different impulses, whatever these are<sup>21</sup>.

His design consists of three steps: to let his sailors fasten him to the mast; to put wax in his men's ears; to order them not to obey him as soon as he asks to be freed in order to join the Sirens. It must be emphasized that Odysseus chooses to get involved into an uncomfortable situation intentionally. It will cost him suffering and distress because, being temporarily unfit to govern himself and his life, he finds himself bound, powerless and thus unable to dive into the sea to reach the island. Furthermore, the more Odysseus twists his body, the more his sailors are forced to tighten the loops of the string that impedes him to give in to temptation. In other words, the more he desires, the less he is allowed to achieve the object of his passion.

Now: why does Odysseus opt for undergoing such a dramatic experience? I venture five different hypothesis:

1) He is motivated by purely instrumental and pragmatic reasons. For instance, he is willing to be dispensed with rowing for some time. Then, he takes advantage of his crew's fear of being entrapped by the Sirens in order to convince his sailors to row harder. Obviously, by this speculation I assume that Odysseus considers the whole staging of his *performance* – being tied to the mast; putting wax into his men's ears; suffering for not being allowed to dive into the sea; temporarily devolving his

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<sup>20</sup> In the contemporary literature, the word “passion” is often replaced by the word “emotion”, as my readers can also notice by looking at some of the quotations in the text: see Dixon (2003). Both “passion” and “emotion” refer to the concept of “affective status”. However, I reckon it is important to underline the relevant discrepancy between the two terms: while the notion of “emotion” stands for a passing, transient feeling, “passion” represents a violent, persistent state, which sometimes cannot even totally be controlled or dominated. Passion is chronic, powerful, complex, longstanding, and capable of polarizing someone's attention towards a unique objective (see Shweder, 1994). Therefore, I invite the reader to consider the term “emotion”, when it comes across in the text, as just a synonymous of “passion” as conceptualised here.

<sup>21</sup> I am clearly making use of the language of the game theory. In particular, the strategic games are normally represented through the construction of charts containing all the choices one can consider in a given situation. These options, or choices, are called matrices of the payoffs associated to any combination of the possible strategies available to the actors involved.

power and authority over his sailors as well as over himself – more convenient than being busy at rowing.

2) He is elaborating a kind of indirect rationality as a tool for managing complex problems he is not fit to solve in a more direct or coherent way. In particular, Odysseus does not trust the strength of his own willpower against the Sirens' provocation. This is why he decides to lose his freedom for a while: he knows that once he overcomes the *crisis*, he will be free and totally rational forever (see Elster, 1979).

3) He simply wishes to be delighted by the Sirens voices, without any further goal. He thinks that the best and more valuable condition for appreciating the Sirens chants is to be the only person allowed to enjoy that magic experience. Thus, I can read his performance as a kind of trick: the true, functional stratagem is that of putting wax into his sailors' hears, in order to prevent them from joining his privilege.

4) He aims at preserving his authority over the crew in a moment of crisis. In order to achieve this result, he wishes to give credit to behaviours that would normally not gain any ascendancy over his men (see Frank, 1988). For instance, he may be the only one knowing that the ship is going to face one of the most dreadful and difficult phases of the trip: the Strait of Scylla and Charybdis. Therefore, Odysseus is perfectly aware that he is called to an extremely hard challenge: that of governing his crew with confidence and authority in a risky context. Hence, it is just in order to strengthen the faith of his sailors in his power and rationality that he decides to perform his *drama*. The more powerful is the enemy he chooses to face (in this case he even deals with the domain of the supernatural), the more his credibility would potentially increase among the crew<sup>22</sup>.

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<sup>22</sup> What happens between Odysseus and the sailors may be interpreted as a self-confirming equilibrium, in the way explained by Fudenberg and Levine (1993). In it the players, differently from what happens in the equilibrium described by Nash, do not have a complete comprehension of the game they are playing, and can have wrong beliefs regarding the strategies followed by other players. The theoretical point is that mistakes are coherent with one's experience; in particular, with the observation of one's choices. The sailors observe several of Odysseus rational choices, while Odysseus observes several choices of obedience by the sailors. But what matters is that it's created between them a stable equilibrium, corroborated by reciprocal experience. Until this is proven valid, the sailors will believe that Odysseus choice in front of the Sirens is

5) He confronts himself with a *need for recognition*. Needless to say, this is the perspective assumed in this Chapter. Odysseus yearns for being acknowledged as the only person able to circumnavigate the Sirens' island and survive their voices. This ambition may arise from contingent circumstances – as already pointed out in the previous comma: he needs to be acknowledged as the absolute leader of the crew in a moment of crisis – or from something completely different. I argue that we are dealing with what I call “need for recognition” or thymòtic passion or, moreover, with a tangible example of “social drama”. When such a necessity is satisfied, the entire framework of Odysseus identity changes. *By performing his drama*<sup>23</sup>, and according to the three-stage ritual structure, after the crisis he becomes the epic author of several heroic deeds: he is The One of the Trojan Horse; The One who deceived and defeated the Cyclops; The One who received support from Aeolus, the Lord of the Wings; The One who survived the fury of the Laestrygonians; yet, he is the One who made Circe fall in love with him. Now, he is also The One who faced and endured the Sirens.

Following the suggestions outlined in point 5, we understand how Odysseus succeeds in changing, strengthening and even improving his identity, his social profile. In fact, we can read this transformation on a twofold ground: A) Odysseus experiences what social anthropologists call a “social drama”; therefore, he goes through a rite of passage (See Turner 1957, 1969); B) Odysseus can be compared to an actor who enters the game in its second stage, playing therefore with more and/or better resources. Such consideration fully justifies the strategic importance of the first part of the game, symbolized by his performance.

These suggested interpretations are not in contradiction one another: both foresee a plurality of stages or steps, the last of which presents a transformed Odysseus. The social group he belongs to now differently acknowledges his social

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rational, while Odysseus is led to believe the sailors will obey him. Because of this balance, Odysseus will hear the Sirens, and everyone will survive.

<sup>23</sup> We do not use the concept of “performance” without specific purpose. Odysseus behaviour is theatrical, indeed. Performance recalls the notion of social drama, which itself recalls the concept of rite of passage. The latter is characterised by three stages, the second of which is called liminal, or anti-structural, since all normal, daily social rules are interrupted, broken, suspended. Therefore, by this performance – his being fastened as if he was not the Captain – Odysseus is experiencing a rite of passage, a dramatic moment that will change his fate.

identity. However, Odysseus cannot be aware of the final result of the transformation he has been experiencing. Indeed, he ignores how his identity is going to be transformed after the trial and the entire performance<sup>24</sup>.

On the other hand, the main difference between A and B is, while in A the performance takes place in a second (liminal) stage of the process – the first stage is symbolized by Odysseus’s crisis: his need for recognition –, in B the performance itself is the first stage of the game. In the first case we are dealing with a three-phase process (Odysseus’s new identity being the third step of the process), while in the second we are dealing with a simpler, two-fold structure.

Following ground A, we can also add that while Odysseus’s subjugation to thymotic passions is a liminal condition (signalled by the rite of passage determining the third phase of the social drama), his new status after the performance (the third stage of the rite of passage he undertakes) is that of a reshaped and renewed authority. In other words, *homo timoticus* is a liminal man.

Following ground B – that is: taking into consideration that Odysseus ignores what the final result of his process of identitarian transformation will be – I question whether our protagonist should be classified within either the category of *homo oeconomicus* or in that of *homo reciprocans* or, yet, within an original combination of the two types. Furthermore, I am also called – together with Odysseus – to analyze whether Odysseus’s future strategies aim at maximizing his personal payoffs (either his own only, or also those of his crew), or at driving back any possibility of maximizing any potential variable.

What counts for Odysseus, at the end of the first stage of the process, is that he is commonly acknowledged as the hero – *The One* – who has faced and survived the Sirens. Odysseus is *The* character who never loses his self-control. If he gives in to temptation, it will only happen after he sets a rigid framework of rules and checks upon which he is subjected. The impact of his passion is already calculated and governed; rather, it generates the satisfaction related to his need for recognition from his subordinates. Therefore, Odysseus is a man animated by calm feelings.

What happens, however, when somebody really loses his self-control? I shall now direct our attention to this question by distinguishing between two different – yet

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<sup>24</sup> This also recalls the topic of the uncertainty of the value, a question that I will address in §5.



linked – elements: passion and recognition. Paragraph 2 is dedicated to the peculiar characteristics of what I have called “the overwhelming force of passion”, while §3 more closely examines the specificity of the “need for recognition”.

## **2. *Homo oeconomicus, homo reciprocans and homo timoticus***

There are four main differences between the behaviour of *homo oeconomicus* and that of *homo timoticus*. Firstly, thymotic passions emerge through non intentional acts: anger, love, sometimes martyrdom, instinct, and so forth<sup>25</sup>. Any action originated and nurtured by thymòtic passions places its own *raison d'être* in itself. In fact, this can be only interpreted *ex post*. As Homer, Dante Alighieri and Shakespeare wrote, *we are possessed by – that is, we act according to – passions*. David Hume, the XVIII century Scottish philosopher and historian, could not but confirm it: «When I am angry, I am indeed subject to this passion, and there is no closer reference to this emotion than when I am thirsty, or when I am ill, or taller than five feet» (Hume, 1739: 462). In fact, *thymòs* confers value to an act neither with regard to its specific aim and interest, nor to its efficiency and effectiveness. Through *thymòs*, any action gets its own intrinsic value simply by being carried out. To quote Hanna Arendt (1958: 206), «Greatness, as specific meaning of every action, only occurs in execution and not in motivation nor in realization».

Secondly, any action nurtured by the *thymòs* may worsen the actor's wellbeing. Montaigne (1580-95: 937-38) provides us with a very pertinent, although crude, example of the potential negative consequences of acting under the influence of thymotic passions. The main object of Montaigne's eloquent tale is pride. The Author informs us that «a young gentleman of ours, felt in love and passionate, having conquered the heart of a beautiful lady with his perseverance» [*our translation*], suddenly became desperate since found himself weak and unsatisfactory, unable to finalize his assault to the lady. Therefore, since *non viriliter iners senile penis extulerat caput*, once at home he decided to emasculate his body. He then sent his

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<sup>25</sup> I reckon unnecessary to produce an exhaustive catalogue of what is to be considered as “thymotic passion”. However, a hypothetical list should absolutely include three couples, at least: *amor fou* and hate; respect and shame; pride and outrage.

bleeding victim to the lady as a sign of the expiation of his offense. Montaigne asks: how would we comment such a proud action ... had it been motivated by devotion and reasoning?

Thirdly, *thymòs* excludes reciprocity. There is no indirect or future *do ut des*-mechanism in the actions and transactions motivated by thymotic passions. Even if we consider glory as the payoff of some thymotic acts, we have to recognize that any tangible, positive output or feedback for the concerned player(s) can be taken for granted. As stated in the verse by the classical Latin poetry Horace, *dulce et decorum est pro patria mori*, reciprocity is situated in a non-historical dimension. This is also Schumpeter's argument about imperialistic behaviour. His theory of imperialism is based on *thymòs*, although he does not use this term. In a purely capitalist world, the struggle for markets and profits would absorb men's competitive energies. Wars would never be convenient. However, as imperialism exists and has magnitudes that fiercely oppose the states of the most advanced countries, it is necessary to admit that capitalism has failed to establish itself fully. During the war of aggression can happen that some economic interests are promoted (new markets, trade concessions, territories to be exploited) and that people is persuaded of the importance of those interests; but the origin of the process is not an answer to the advantages that the conquest could procure. If the interest is tautologically defined as the engine of everything that people do or want to do, we have to admit that the war, as it can not have reasons, favours interests. «But that interest is not in the concrete war aims. It is not a question of the advantages offered by the attainment of those aims, but of an interest in the waging of war as such. [...] This, then, is our definition: imperialism is *the objectless disposition* on the part of a state to unlimited forcible expansion» (Schumpeter, 1919: 4 and 6, italics added). In short, imperialist wars are acts inspired by *thymòs*, because in them «nations and classes [...] seek expansion for the sake of expanding, war for the sake of fighting, victory for the sake of winning, dominion for the sake of ruling» (*Ivi*: 5).

Fourthly, *thymòs* is not directly dependent to monetary rewards; it does not vary if the latter changes. In other words, what is missing is the trade-off between money and the need for recognition. As Machiavelli (1513-19) wrote, «gold is not enough if you need to find good soldiers. However, good soldiers are right enough to find gold. If Romans had wanted to make war with money rather than with iron, and

in consideration of all the great deeds they realized and all the difficulties they met, they would have needed more than all the wealth of this world. However, they run their wars with iron, and never experienced shortage of gold» [*our translation*]. Montaigne (1580-95) adds: «the biggest and only virtue of being rewarded with honour is that only a few people may benefit of it ... Quality people have higher desire for such awards than for gain and profit» [*our translation*].

By *homines reciprocans* I mean those subjects that act not only according to material self interest. On the contrary, their behaviour also includes a social dimension through the inclusion of the others' payoffs as a relevant element of interest and motivation<sup>26</sup>. The theories arguing over conditional reciprocity, equity, trust, regard – and so forth – are rational explanations of the systematic shift between the logic underlying *homo reciprocans*' choices and that, purely instrumental and pragmatic, of *homo oeconomicus* (see Fehr & Gächter 1988; Fehr & Fischbacher 2002; Gneezy *et al.* 2011; Offer, 2013). Furthermore, the depiction of *homo reciprocans* produced by the literature of behavioural economics seems to overlap – partially, at least – with that of *homines timoticus*. However, one big difference soon emerges: a wide part of the literature regarding *homo reciprocans* defines reciprocity as to reciprocate the same kind of behavior performed by others, when they do the same or are expected to do the same. It assumes that if (for instance) one acts with trust, the counterpart will do so too. An alternative definition, widespread among anthropologists and sociologists, suggests that reciprocity occurs when, during a social exchange, a subject acts according to non-specified obligations. It means s/he has a general expectation of any future return (see Mauss, 1923-24; Blau, 1964). This definition does not implicate that obligation induces the same kind of behavior, thus it better suits the analysis of *thymós*, which can (for instance) respond to an endearment with anger, to command with rebellion, to resentment with gratitude<sup>27</sup>. *Homo timoticus* aims at being acknowledged by the other subjects with whom s/he

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<sup>26</sup> This definition includes elaborations such as that of psychological games, or games with belief-dependent motivations, in which the players' utilities «may also directly depend on the beliefs (about choices, beliefs, or information) they hold» (Attanasi & Nagel, 2008: 205).

<sup>27</sup> Similar reactions are hardly understood, if considered outside the logic of recognition need from the counterpart. My only purpose is underlining that an adequate attention to similar reactions can drive to an innovative analysis about how markets and organizations function.

interacts by sometimes acting positively towards the social group s/he belongs to, and some other times adopting a selfish and anti-social posture. It follows that *thymòs* is a need that may arise by adopting both conducts of *homo reciprocans* as well as the rationale – more acquisitive and pragmatic – of *homo oeconomicus*. Moreover, the logic of *thymòs* is featured by the complete absence of any *do ut des* mechanism, as well as by the acceptance of worsening his/her own wellbeing as a consequence of acting under the yoke of passion.

In my view, the importance and peculiarity of the notion of *thymòs* – as well as of that of *homo timoticus* – lays in the fact that it is marked by a truly and pervasive anthropological dimension. Acting for the sake of acting, transcending any other possible human rational motivation: this is what makes the actions inspired by *thymòs* original and different from those performed by *homo oeconomicus* and *homo reciprocans*. Here, too, lays the general pertinence of my topic in the field of contemporary social sciences.

If I adopt a different but equivalent terminology, I can also add that *homo timoticus* is a man manifesting sacred passions. By “sacred”, however, I mean something valuable but, at the same time, without practical utility, useless. Moreover, I mean something whose unavailability cannot be negotiated. The sacred is to be kept separated by what can be manipulated. It is by taking into consideration what we are that we should recognize “the sacred”. For instance, we deem as sacred the right of any people of accessing water, the children’s right of not being used as soldiers, the right of studying Darwin, and the right of visiting Mecca, just to name a few potential examples (see also Chapter 2, §6).

These conceptual coordinates inform the scholarly work of Robert Axelrod and his colleagues. They have focused on the three ideal types representing economic brokers (Atran, Axelrod & Davis 2007; Atran & Axelrod 2008). Indeed, in the event of a severe conflict, if the involved subjects were all *homines oeconomici* the political negotiation would be totally consumed by the “gradual” values played in the field. Therefore, either the logic of “more-or-less” or that of “before-or-later” would put an end to any potential negotiation as, anyhow, something would be preferred to nothing. Rather, in case the involved subjects were all *homines reciprocans*, they would certainly recognize the existence of “sacred” values, namely, inseparable values corresponding to the logic of “everything-or-nothing”, “this-or-that” and “just-

now”. However, the most valuable quality of reciprocity is that it turns active only when there is somebody who starts donating. It follows that every negotiation should primarily refer to “gradual” values, leaving aside the “sacred” ones, in order to allow the involved agents gaining reciprocal confidence. This way, the web linking their mutual interests would result strengthened and this would further allow the indivisible passions to be included into the negotiation process. A “dimensional jump” is thus made possible. According to Axelrod and his colleagues, these approaches are often keen to fail, since the involved subjects are *homines timotici* (although this expression is never mentioned in their researches) who, as such, grant priority to identitarian values and needs. These *homines timotici* interpret every compromise, either in terms of individual or reciprocal interest, as an abuse. In other words, they cannot consider the compromise as something constructive.

Let us turn now our attention to what I call “symbolic concessions”, which, although apparently meaningless or even counter-productive from the point of view of self-interested or socially-driven subjects, concern the indivisibility of the “sacred” values/needs<sup>28</sup>.

### 3. From identity to social recognition

What do I mean by “*identitarian need for recognition*”? In order to answer this complex question, I have to focalize on the theme of identity, that represented throughout the last decades the core of studies and debates in such disciplines as philosophy and social anthropology and, generally speaking, in all the so-called social sciences. However, it is my intention to anticipate that the notion of identity, taken in its broad sense, may produce a misunderstanding. Therefore, the thesis I suggest concerns the fact that the concept of identity, as such, should be replaced with that of “social recognition”, which seems to be more analytical and more fertile.

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<sup>28</sup> As underlined by Jack Hirshleifer (1993: 186), the loss of control is a feature of passions we cannot abstract from. This means “hot” passions (like *thymós*) are *morally intractable* phenomena, because usually their potential (which is constructive as well as disruptive) does not bear limits nor does it respect proportions; a codification of the legitimate reasons and of the means allowed to morally practice, let’s assume, anger, Eros, fear or imagination, would be a wishful thinking. Moral rationality is thus extraneous to our argument.

I will argue my hypothesis by comparing it with some of the most widespread and debated conceptions of the notion of identity. However, before proceeding I would also like to add that every considered approach is featured by a variety of theoretical backgrounds, which yet produced several internal debates and interpretations. Hence, any mentioned author does not represent a particular intellectual tradition, but only one concrete example of how different theoretical roots have evolved in certain contexts.

A first approach suggests that identity is a structure of social affiliation. It is created when an individual adheres to the structure of beliefs through which a social group defines the others and, consequently, draws and impose material and immaterial borders between the inclusive category of “Us” and the excluding sphere of “Them”. Identity, therefore, is not an objective attribute of certain given behaviours. On the contrary, it derives by the way members of a community figure out themselves and interpret/play their relation to that specific community (Tajfel *et al.*, 1971; Akerlof & Kranton, 2010). Moreover, it is well known that every person belongs to – that is, feels to be in an intimate social and cultural relation with – several groups or collective configurations. Some may be inherited – culture is what defines, for instance, how an individual belongs to a group by descent – whereas others may be the result of fortuitous circumstances, and other may be the product of intentional choices, either strategic or tactical or rational or ideological. By belonging to more than one social group, the individual may experience internal cognitive and/or cultural struggles. Some authors (Simmel, 1908; Turner, 1987; Sen, 2006) affirm that such situation can weaken the person’s exclusive and main belonging to a single community. According to me, the worth of this approach lays in its conception of identity as the result of a process of classification of the reality. In other words, this perspective stresses that identity is a socio-cultural construction, since any label ascribed to a group or individual is conventional, arbitrary and changing. At the same time, I also recognize that this interpretation of identity has got its own limits. The most important one regards the assumption that identity is the product of some requirements collective or individual subjects apply or impose to themselves and, by contrast, to others.

It is right on this limit that the second thesis I intend to discuss intervenes. It aims at overcoming the traditional dichotomy between individual personality

(identity) and social structure by emphasizing the relational and inter-subjective attributes of what we call “identity”. This approach argues that identity does not grow in an inner dimension, to enter the social arena in a later stage. On the contrary, identity is intimately constituted by the surrounding historical, socio-cultural reality; it is the collective action that informs, gives shape to and reproduces one’s personality. The individual together with other individuals then builds up social reality; his/her identity gains sense only in that complex reality. It follows that the rigid distinction between personal and social identity loses its meaning. Identity is never referred to a single subject: it is the consequence of multilayered social processes (Wittgenstein, 1953; Berger & Luckmann, 1966). In my opinion, the main limit of this approach can be found in its assumption of an already constituted subject, who explores the social reality by interacting with other given subjects, with the aim of their and his/her own identification.

The third hypothesis that I suggest to explore is a response to the limit I have just identified in the lines above. We no longer deal with a given subject dialoguing with other subjects, able to transform the others or to be transformed by them through the words exchange. Indeed, by “inter-subjectivity” we already presuppose a subjectivity that seeks coordination with other subjects, before and independently from social processes. Rather, any identitarian subjectivity is shaped by the web of relations it is encompassed by (see *Preface*). Just as a game only makes sense if there are rules regulating it, and a theatrical actor only assumes his/her identity by performing on the stage, identity is generated through the functioning of the social situation it takes part to (Mead, 1913; Goffman, 1956). However, this passage from what I may call “procedural subject” to a “subjectivation process” implies a critique of one of the most pervasive philosophical precept, which assumes that identity is a temporal integration criterion, typical of humankind existence, based on an unvarying nucleus. However, what this hypothesis does not define is what identity is. Rather, it focuses on how identity is produced and used by social actors, be they assumed as subjects or not (Rorty, 1980; Parfit, 1984; Hume, 1739).

The fourth approach I would like to consider is the most radical and also, I believe, the most satisfactory and sharable. Therefore, I shall try to develop it extensively. “The subject” – both capable of self-reflecting and interacting with other individuals – and “identity” – taken as the factor providing unity and continuity to the

subject's conscious existence – are notions that have been largely criticized by the past reviews. Consequently, it seems appropriate to reduce the use of these two problematic and complex notions in order to substitute them with less normative and demanding concepts. I shall, therefore, consider the following sentence: no social actor can acquire consciousness of her/himself, unless others acknowledge her/him. This sentence neither necessarily require that the social actor is a “subject”, nor that her/his self-consciousness is what we call “identity”. My statement solely affirms that, in order to assign a meaning to her/his actions, an individual acting in society (that is, an actor) has to be considered and accepted by other social actors. The mechanism of reciprocal recognition is more essential and at the same time more fundamental than the processes of subjectivation and identification. This perspective has also been masterly stated out by Erik Erikson (1968: 20), who affirmed: «Identity formation [is] a process [...] by which the individual judges himself in light of what he perceives to be the way in which others judge him in comparison to themselves and to a typology significant to them; while he judges their way of judging him in light of how he perceives himself in comparison to them and to types that have become relevant to him». I can rephrase this sentence by stating that the subject's identity is the final destination towards which the process of reciprocal recognition asymptotically converge.

Recognition occurs *before* any preference or judgement is expressed. Indeed, the action of calculating a value (laying at the very core of micro-economics) can never be solipsistically performed. A witty remark by the comedian Lenny Bruce – “I invented powdered water, but don't know how to melt it” – suggests that each individual invents her/his way of measuring the value of things by ranking every alternative according to a function of utility or to a preference relation. However, this way of acting assumes sense only if it is “melted” into a process of recognition. Even the simplest economic exchange implies acknowledging the value of a good someone else brought on the market. Generally speaking, «we shall explain the choices made by repeating the following question: “why did you make this choice?”. A more precise question, for instance, could be: “why did you decide to give up your education in order to manage an estate agency?”. At first, we might receive a similar answer: “because I draw satisfaction from earning money”. Then, we could insist and ask: “why are you satisfied when you earn money?”. Our interlocutor may then reply:



“Because I can buy prestigious goods”. “Prestigious to whom?”, we keep insisting. “To those like us”, our counterpart says. At this stage, we face a response that transcends the pattern of the rational choice by referring to a social circle (“Those like us”) in which the same ethics of valuing things and choices are supposed to be shared. This circle is the social group to which our interlocutor belongs, or would like to belong for unspecified reasons. If this consideration is licit, then not only all processes of interests maximization happen along with the inter-subjective recognition that assigns value to the assessment of utility, on the contrary they vary according to the different collective identities they are support by» (Sparti, 2002: 130, my translation).

Next to the priority assigned to the reciprocal recognition over the rationality of the individual choice, the other pivotal theoretical point that this approach raises is the recognition of social recognition as a social (f)act that cannot be analyzed by solely using the paradigm of economic science. Indeed, social recognition may be sometimes generated by an intentional decision, but *it can never arise as the product of a rational choice; on the contrary, it is a secondary and uncertain outcome of actions aiming at other goals*. As well as it is not possible to self-tickle, when a social actor wishes to be acknowledged by those who s/he esteems, s/he cannot establish her/his recognition as the primary goal of her/his actions. Indeed, nothing impresses less than a behaviour aiming at impressing the others. Moreover, according to Pizzorno (2000: 206), those who seek an improvement of their self esteem are just those who admit to have a lack of it. The same author adds that acting in order to become a “certain” person (a kind of “character”) contradicts that goal itself, as everything one can achieve is only «being a person who wants to be a certain person», at least to his/her own eyes (2007: 257).

It is possible to object this interpretation by saying that social actors have developed a kind of evolutionary capacity of *self-deception*, as it helps them deceiving the others more convincingly (Trivers, 2011). However, the simulation becomes impossible when requiring the essential qualities of any “authentic” behaviour: pretending to laugh with the aim of *actually* misleading someone means to actually laugh; pretending to be an original artist or scientist would not *really* deceive other artists or scientists, unless you are really original. It is in such cases that the

distinction between *genuinely* unintentional actions and *credible* simulated actions tend to vanish. The only way to result trustworthy is to be genuine (Elster, 1983).

It is also possible to affirm that the rational strategy of improving someone's social performances in terms of wealth, beauty, intelligence, competences or else produces a better recognition, and, therefore, a higher self esteem. However, I can answer that the likelihood of these flows of events is unknown. As already mentioned, since every social universe is constituted and modified through paths of recognition, the amount and quality of the events concern a becoming process. The actor aiming at her/his recognition is aware of the conditions of *possibility*, though not of those of *probability*, which determine the result of her/his actions. S/he cannot maximize her/his own expected utility – namely, the sum of any potential outcome's utility, minus the probability that the outcome does not take place. S/he can only adopt strategies featured by uncertainty. It follows that the actor's strategies will only seek indirect and secondary goals – wealth, beauty, and so on – without any warranty regarding the achievement of the principal and direct goal, social recognition. Better: the recognition *as such* cannot be the object of the function of an expected utility, it can only constitute the secondary and uncertain outcome of other objects of rational choice.

By setting the issue of recognition at the core of my analysis, I spin the entire interpretative axes of the economic theory. In other words, I suggest a third way to approach economic sciences. In fact, recent debates either represent human behaviour as solely motivated by material self-interest or, more often, as the articulation of social choices, also influenced by our own purposes and/or others' payoffs (see Bruni, 2006). While traditional *homo oeconomicus* carries out choices based on a merely instrumental rationality, *homo reciprocans* – as outlined in the field of behavioural economics – addresses the attention to the others' choices and preferences. Tzvetan Todorov (1995: 36, square bracket added, my translation) demonstrates efficaciously the reason why engaging in the issue of recognition lead us to a third perspective of economic theory: «the most powerful reasons behind any human action are not to be called pleasure, interest, avidity [like in the *homo oeconomicus* paradigm], nor should they be called generosity, love for humankind, self-denial [as in the *homo reciprocans*']; rather, desire of glory and consideration, shame and guilt, fear of not being esteemed, need for recognition ...».

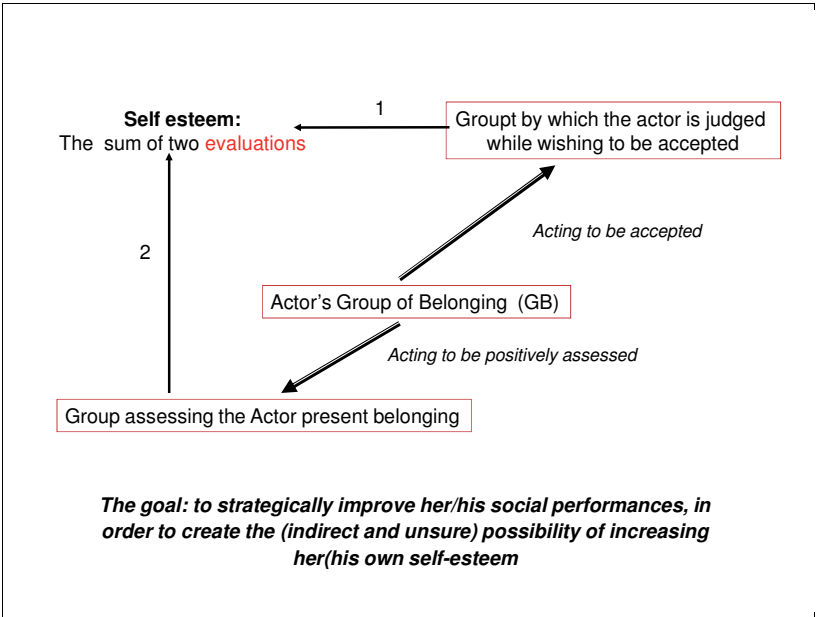
In a nutshell: in the fourth formulation just mentioned, on a theoretical scenario, there are neither subjects-persons, nor inter-subjective connections, nor intentional actions, nor individual identities displayed at the beginning of the social show. The single actors (potentially) shape themselves as subjects as soon as they are recognized by other individuals. Only following this process they can acquire a proper self-esteem, and can thus recognize themselves as subjects. A community of individuals reciprocally recognizing each other becomes a group, notwithstanding the internal unequal relations of power regulating every known community. Therefore, the act of recognition lays at the core of any process of socialization, as well as of subjectivation. It is *never an entirely intentional action*, as the actor receives social recognition only by strategically aiming at other goals.

#### **4. The framework of identitarian change**

As already argued in §3, I consider subjective identity the process through which a given Ego recognizes itself and, at the same time, it is recognized by an Alter as member of a larger and encompassing community. It is based on this process that Ego gives its own actions a meaning. In order to feel itself as a member of a group, Ego needs to stand in the group and, at the same time, must be recognized by that specific group as a member. It means that identity requires a relation between Ego and Alter: Ego joins Alter's group only if Alter recognizes it. At the same time Alter recognizes Ego as long as Ego, by joining the group, recognizes Alter as a member of the group. This is not a circle of causality and effect, nor implies it a given temporal order. Ego is Ego because its meaning arises from belonging to Alter's group. Alter is Alter because its meaning arises from belonging to Ego's group. Identity is not a *requisite* someone can gain or lose, produce or trade. It is nothing but the circular relation between Ego-Alter-Ego, as acknowledgment is something that only exists on the others' eyes. The ultimate foundation of subjectivity lies in the inter-subjective acknowledgment, and this entails that identity arises from an interaction explicating itself in the form of an encounter or a clash: either we acknowledge each other in the name of affinity and solidarity, or in that of difference and contrast (see also Chapter II, §3).

In order to analyze the recognition, thus, it is necessary to look at the social groups the individual relates her/himself to. Hence, I suggest adopting an analytical framework that grasps the essential elements of the processes of reciprocal recognition (Pizzorno, 2000; 2007). I shall consider three types of social groups. The first is named *Group of Belonging* (**GB**): it means that the player is a member of the group due to some previous and unknown reasons (ascriptive affiliation, voluntary membership or casualty). The second type is named *Circle of Recognition* (**CR**): it is constituted by those who evaluate the player. They directly or indirectly judge the player's acts, even though the latter may not desire belonging to the group, and even if they are not part of a same group. Let's consider the example provided by a professor who professionally belongs to the academic world (GB), but is also subjected to students' evaluation, even if these do not belong to the professor's academic dimension. At the same time, our professor is also evaluated by the academic institution s/he works for, or by other organisations as well, if s/he aims at obtaining research or consulting funds provided by those bodies (CR). What I want to stress is that this model represents GB merely as a container, while the actor belonging to the GB is evaluated by the corresponding CR. For any GB, there will be a corresponding CR, even if the two groups are not linked by a bi-univocal relation. The reason stands in the possibility that anybody belonging to a GB can be evaluated by different CR.

The third case is named *Group of Reference* (**GR**): it is composed by those individuals that Ego reckons valuable and by whom s/he wishes to be accepted. I shall now assume that, during a time  $t$ , Ego belongs to one GB, whose members are evaluated by only one CR, and that Ego aspires to be included in one GR only. The framework object is the itinerary along which the player: *I*) is acknowledged by the CR and, distinctively, by the GB; *II*) transforms the obtained recognition in self-recognition, namely, in self-esteem. On one hand, the CR assesses the player according to what s/he currently is and does. On the other hand, the GR values the player according to what s/he wishes or aims to be, namely adopting a potentiality criterion. Therefore, I argue that the actor's self esteem should be defined as the sum of the assessment expressed by the CR and that expressed by the GR. However, it is important to stress that the addends have a different nature.



**Figure 11: The framework of identitarian change**

In fact, while the assessment given by the CR is passively received by the actor – as the actor’s CR coincides with the GB s/he is referred to during the time  $t$ , which cannot be adjusted or modified in the short run – the judgment expressed by the GB is chosen by the actor. Indeed, it is the actor that selects the group by which s/he aims to be approved and included. It follows that self esteem is made by two factors, which we shall call “choice” and “non-choice”.

Figure 11 shows the strategic positioning executed by the player while aiming to improve (though indirectly and doubtfully) her/his self-esteem. It is worth underlining that, as already discussed in the third paragraph, the processes of recognition are not fully governed by economic rationality. I want two concentrate on twelve strategies deriving by the manipulation of GB and/or CR and/or GR.

[I] The actor decides to substitute her/his GR after having received a negative evaluation by the CR. S/he will therefore select a new GR who appreciates her/him more than the previous one, in order to improve her/his self-esteem. For instance, let’s imagine a player belonging to the academic world: if s/he does not manage get a

higher position within her/his GR, s/he decides to strengthen her/his collaboration with some newspaper or magazines that s/he already work with. This way, the actor seeks to become an influent opinion-leader. Therefore, s/he is improving her/his self-esteem by changing GR: from the scientific to the journalistic world.

[II] The player decides to substitute her/his GR after having received a negative evaluation by the CR. This time, however, our player does not select a new GR who appreciates her/him better, but rather one who can be better appreciated by the CR. For instance, our player does not obtain the professorship s/he aimed to. The player knows, however, that the judging commission is composed by catholic members and therefore decides to join Opus Dei in order to increase the commission's mark.

[III] If the GR gives a negative evaluation of the player, the latter can increase and enhance her/his position in the GB in order to induce the GR to improve its assessment. For instance, the actor is an academician that aspires, unsuccessfully, to join the Lincei Academy. The player decides to engage her/himself even more than before in research and teaching, in order to convince the Lincei that s/he deserves membership.

[IV] If the GR expresses a negative evaluation of the actor, the latter can disengage her/himself from the GB in order to raise her/his credibility in front of the GR. For instance, let's assume the actor is an academician aspiring to be accepted by the Lincei Academy. S/he is refused because her/his belonging university is not sufficiently qualified. Therefore, the player decides to reduce the engagement with her/his belonging university in order to carry out more independent research, which would increase her/his chances to get admission at the Lincei.

Let's now assume that the GB is not a fixed variable anymore. Indeed, in an "individualistic" society any player decides the group s/he wants to belong to. Four additional strategies are following.

[V] If the CR's judgement about the actor worsens, the latter can decide to belong to a different GB, which will compensate the player by fostering her/his own self-esteem. For instance, the actor has recently graduated, but does not manage to access the PhD school to which s/he aspires. S/he decides, thus, to drop her/his scientific career in order to be employed by a private firm.

[VI] If the CR's judgement about the player worsens, the latter decides to change GB. The rationale is, even though the player is not appreciated in the new GB more than s/he was in the one s/he previously belonged to, the CR will appreciate her/him better in virtue of her/his new GB. For instance, the player is an academic researcher in Economic Sciences who is trying to win the professorship; the Commission, however, does not think s/he is properly qualified in the field of Economic Analysis so s/he eventually does not succeed. Then, s/he decides to move to another scientific disciplinary sector, in order to let the Commission evaluate her/his credits in ... History of Economic Analysis.

[VII] If the GR expresses a negative opinion of the player, the latter may decide to start belonging to a GB closer to the GR, so that the GR will change its assessment. For instance, the actor wishes to be admitted to the Lincei Academy; if s/he improves her/his position from simple researcher to full-time professor, s/he would increase her/his chances to be admitted to the GR (Lincei Academy).

[VIII] If the GR does not evaluate the player positively, the latter can address another GB, which will be farther from the GR. This choice would then improve the player's position in the eyes of the GR (of course, cases number VI and VIII share the same nature, but with opposite signs). For instance, the player wants to get admission to the Lincei, but does not reach her/his goal because the university to which s/he belongs is not sufficiently qualified. The actor decides to move to a foreign university who is institutionally, culturally and physically farther from the Lincei, but with a reputation that consents her/him to be considered by the latter.

Let's now turn to the point where the CR is no longer a fixed variable. In fact, if we consider a hyper-individualistic society (something that sociologists call "liquid", in association with a peculiar form of modernity<sup>29</sup>), there is no fixed correspondence between a GB and a CR. In this case it is not granted that, if somebody belongs to a certain BG, there is only one exclusive, corresponding CR. Rather, the player is free to select what CR may evaluate her/his performance in the GB. The search for the appropriate CR lays the ground for two further potential strategies.

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<sup>29</sup> See Bauman (2000). In the field of anthropological studies, see Appadurai (1996).

[IX] If the CR's opinion of the player worsens, the latter can decide to choose another CR. For instance, the player is a painter. S/he looks for experts and reviewers in order to be considered the new Picasso, and s/he does not stop the research until s/he finds what s/he is looking for.

[X] If the GR evaluates the player negatively, the latter can select a CR that "compensates" her/him by raising her/his evaluation as member of a GB. For instance, the player is a professional writer of popular novels. S/he aspires at winning Premio Strega, but gets a very bad review. The writer decides to participate to Premio Bancarella, which is based on the judgements expressed by the readers and not by professional reviewers, because s/he thinks that readers will deserve her/him a better treatment, if not even the victory.

Following the last two cases, let's now assume that GR becomes a fixed variable. The actor cannot choose the groups s/he aspires to belong to anymore. S/he is part of a purely ascriptive society, in which there is no social mobility, and where a person's life is already channelled by tradition or power (think about Orwell's *1984*). All the more, such a society imposes to the actor a GB and a CR, too. Therefore, only two out of the ten presented strategies are available to the player (III and IV), because only those can be really carried out when neither GB, nor GR, nor CR change or can be changed.

However, such social context leads to two more strategies, so that the player may always have room for some choice, even if s/he cannot change her/his situation "structurally".

[XI] If the GR expresses a negative evaluation of the player, the latter can act in order to improve her/his position within the GB in order to influence GR positively. For instance, the player lives in a Sicilian village where mafia acts as the only GR, and s/he wants to be affiliated. S/he is not accepted unless s/he starts acting violently in the only GB to which s/he belongs (may that be the family, the village, the work place or the political domain).

[XII] If the GR expresses negatively about the player, s/he can disengage for the GB in order to improve her/his credibility in front of the GR. For instance, the actor lives in the context of a civil war, and the GR is the predatory army. The actor wants to be a soldier, but her/his GB has not always been faithful to the GR. In order



to raise her/his position in the latter's context, s/he will have to perform violence against her/his native villagers.

## **5. Uncertainty and passions.**

The twelve possible strategies of identitarian change outlined in § 4 do not consider a crucial dynamic factor: the connection between uncertainty and passions. Indeed, passions need to be considered as a critical variable so that an individual's identity changes. As Shakespeare states, hot passions transform, overwhelm and own us. By feeling passions, people become someone else and play even more than one identity at once (this is the case of Hamlet's fascinating dilemma in his well known monologue). Let's consider Juliet's falling in love, King Richard III's aesthetic pleasure for other people's sorrow, Lady Macbeth's desire of power, Othello's jealousy, Shylock greed or Henry V search for glory: all the considered examples are characterized by passions generating temporal discontinuities in those subjects' selves.

Discontinuities generate a peculiar form of uncertainty. One of the most "customary" propositions in the economic theory suggests that preferences are stable. It follows that the criteria we use when evaluating an alternative remain unchanged both when we are asked to choose and when we examine the consequences generated by our choice. However, thymòtic passions, when experienced, have the capacity of transforming the identitarian profile of those subjected to their power. The actor cannot be sure that s/he will accept the consequences generated by the choices s/he carried out after following "temporary" preferences, since s/he could judge them unsuitable once their effects are manifested. It follows that our actor is not only uncertain about the world's future status, but also about her/his own personal future status. «We can imagine a referee, a superego, who allocates profits with the very same care to all different egos that will come along (Schelling, 1984; Elster, 1979). However, we should also imagine that this superego has got norms regulating the allocation of profits that remain unchanged or that only slightly change in a predictable manner. The principle of rationality demands that we anticipate the utility of the choices we undertake. Such anticipation may occur having only incomplete

information on some events. However, we can deal with this lack of information by considering, objectively as well as subjectively, the chances that these events concretely happen. Yet, when we anticipate the consequences, we also need to consider that those consequences do not affect the present ego, the one who chooses, but a successive one. Now, since the intertemporal comparison is as arbitrary as the interpersonal, we can argue that the condition in which one makes a choice is usually a condition of uncertainty about the way the future ego evaluates the situation in which s/he shall find her/himself as a consequence of the decision taken now, in our present. This kind of uncertainty (let's call it 'uncertainty about values' is different from the uncertainty considered by the probability theory» (Pizzorno, 2007: 55-56, our translation).

As of my framework, passions constitute one of the main sources of identitarian changes: on one hand, *thymòs* is the need for recognition, on the other hand identity depends on the other's recognition; therefore, both responding to *thymòs* and building our own identity are segments of a single path. Also, if identity concerns received/obtained recognitions, the groups of recognition are, as we have seen, social nets within which self-esteem grows and strengthens. A group might change for external reasons (for instance, the devaluation of a medal out of a military context, turning from a glorious symbol to a mere piece of metal in case of a political-cultural change), or for internal reasons. I will go through the latter only, as these are the ones who tightly concern identitarian or thymotical passions.

In my attempt to sketch an outline, the path of identitarian change is made of seven steps.

1] Ordinary situation: we are in a time *t* and Ego's identity is X, until time 0; it arises from a certain way of satisfying its need for recognition, that is its way of relating to a specific GB, CR and GR (see §4). Among the aspects of an ordinary situation we can make the example of a stable married love, meaningful for Ego as it is acknowledged by the partner and by a certain CR and GR.

2] All of a sudden, a thymotical passion emerges: Ego "falls" for another partner. This is not a fully intentional deed (see §3). Passion changes *thymòs*, namely Ego's need for recognition. The latter aims at being acknowledged in a different way than before (no longer as a husband or father, rather as a single man and lover) and by a different GR (given that its CR will probably oppose to this new aspiration).

3] Intentional deeds start here. What way does Ego choose to court the desired partner? How will Ego manage to be accepted by her/him and the new GR? These actions require that Ego makes a set of conscious and rational choices, although the chain of these actions has been triggered by the “surprise” of identitarian or thymotical passion.

4] The path along which Ego attempts to satisfy its new *thymòs* or need for recognition – by changing actions and GR – is called “conversion” by Pizzorno (1983). As the conversion has occurred, Ego has a new identity: it becomes the subject Y at a time  $t+1$ . This entails that (as for definition) Ego can feel neither regret nor repentance for choices made as X at a time  $t$ . Even though Ego might be upset by the new partner, the subject feeling the disappointment would be Y, whereas X is irreversibly out of the scene after the transition from time  $t$  to time  $t+1$ .

5] Moreover, when X at a time  $t$  is overwhelmed by an identitarian or thymotical passion, it does not know what it will become at a time  $t+1$ . Mister Y is a label given ex post by the old CR and the new GR. As a result, this generates a peculiar form of uncertainty, as, following what mentioned above, the subject is no longer uncertain only about the world’s future status, but also about her/his personal status.

6] Hence, an identitarian or thymotical passion opens the door to a “surprise” in the life of X (Shackle, 1953). Such event is not predicted at the time of initial probability distribution. It is not an event with an initial zero probability, it is simply not figured yet. The passion was not imagined by X, from time 0 to time  $t$ , hence it is never taken into consideration as possible or impossible. It is the new event that forces Y towards a new probability distribution, which, being completely free, interrupts the convergence.

7] Hypothesizing that the discontinuity emerges in the instant  $t$ , though not between 0 and  $t$ , nor between  $t$  and  $t+1$  – notwithstanding an adequate significance to *thymòs* in general, and to thymotical passions in particular – we shall simplify the analysis, which should not focus on an “out of mind” or “irrational” period of change, but rather solely on a segment between the two periods, each of them remaining evaluable through the ordinary tools used by economists and social scientists. It means that we are assuming, for the sake of simplicity, that “passional madness” (one

of the many mentioned by Homer, Dante or Shakespeare) is squeezed in a single instant.

Although overwhelming passions are sudden, namely they arise with discontinuity and are thus unpredictable, we can understand, based on the framework I have introduced above, some of their conditions of probability. Even though that does not allow an exact planning of the burst, it consents to understand under what conditions its occurrence is more likely.

## **6. The conditions of possibility of thymotical passions**

In recent debates of economic psychology and cognitive neuroscience, a well-known position is the one called dualist (for a recent review, see Evans, 2008). This postulates the existence of two parallel modes of cognitive functioning. The former is denominated “experiential”, “emotional” or simply “system 1”. It proceeds in many – affective-intuitive, rapid, associative, non-verbal, metaphorical, impressionistic, narrative, automatic and little conscious – ways. The latter is denominated “analytical-rational” or simply “system 2”. It is based on conscious, slow, effortful, rule-based, reflective, deliberative processes based on a formal reasoning. A recurring thesis in this literature suggests that «there are strong elements of rationality in both systems of thinking. The experiential system enabled human beings to survive as they evolved. Intuition, instinct, and gut feeling were relied upon to determine whether an animal was safe to approach or the water was safe to drink. As life became more complex and humans gained more control over their environment, analytic tools such as probability theory, risk assessment, and decision analysis were invented to “boost” the rationality of experiential thinking» (Slovic and Peters, 2006: 322). Nevertheless, despite system 1 is considered the expression of a form of rationality, the crucial theoretical point concerns the fact that, in the dualist conception, the emotional (or passional) characteristics featuring system 1 only generate mistakes and sub-optimal performances. For instance, according to the Nobel Prize Daniel Kahneman (2011), when «an option is emotionally charged, the individual evaluates and substitutes a specific objective attribute with another attribute who comes to mind more promptly, as the objective attribute is little accessible. The substituted attribute is so much

linked to the objective attribute that it overcomes the control of system 2 and the substitution takes places unintentionally. An error of assessment thus implicates the failure of system 1, who generated the mistake through the attribute substitution, and of system 2, who did not manage to find it out and readjust it» (Belelli & Di Schiena, 2008: 90). In brief, system 1 harasses and tends to broaden the limits of system 2.

This approach is clearly embedded into the designing of an app for Iphone that has recently gained the forefront of many newspapers and magazine covers, at least in Italy. We are referring to the app named Choicemap (<http://choicemap.com>), which aims at guiding users/citizens through fundamental and/or more trivial choices, such as choosing the right university faculty after getting a secondary school diploma, or deciding whether to continue or to quit a sentimental relationship, or even ordering Chines or Ethiopian food. The list may be endless. Of course we are dealing with a sort of game, firstly. However, at a closer glance one can also notice that any complexity regarding the kinds of choices one is faced throughout life is voided. This is quite paradoxical, since the more virtual tools become complex, the less human life seems to be recognized as complex as it is in reality.

Furthermore, being based on an algorithm, the app testifies a rationality claiming right for the overwhelming power of extreme mathematical, emotionless rationality over any other deciding tool human beings dispose of. Social relationships are totally taken aside, reflexivity is cancelled, binary opposition affirms that there is not grey, but only black and white. Any matter is thus reduced to a formula, and the smartphone is all that one needs in order to make the best choice for maximising his/her payoffs. We notice this background in the words of Choicemap's author, who recently affirmed : «I wish I had ChoiceMap when I was making the decision to move abroad several years ago. Instead of just sitting around dealing with a crazy-making mix of worry and excitement or engaging in anxiety-provoking discussions with friends (“There are a lot of mosquitos there. You’ll get bitten to death”), ChoiceMap could have helped me sort out my hopes and fears in a much neater, more methodical way» (<http://techcrunch.com/2014/01/09/meet-choicemap-a-new-app-that-helps-you-make-better-decisions/>). Do not these words echoes the kind of reflection Nobel Prize Daniel Kahneman pointed out to, which I previously reported? Indeed, just as Choicemap, more and more of these new technological tools and devices are informed by the kind of rationality proposed by distinguished authors like

Kahneman. The global aim is to suggest winning solutions to users in fields like private life, job activities, entertainment and so forth. It pretends to be *homo oeconomicus* everlasting triumph: neoliberal individualism, tout court. In fact, according to the app's author «global decision-making is a big market», indeed.

However, it seems to me that the emphasis on extreme rationality, a kind of algorithmically-driven behaviour, shows its inability in considering the multi-layered, complex and sometimes contradictory character of any individual or social group life. I argue that any social identity is a complex process that cannot exclude exchanges neither with the social entity nor with the cultural and ecological environment one is encompassed by. The construction of social identity cannot be a pure cognitive matter. At the same, time, since individuals may belong to different social groups at the same time, the need for recognition by one or more of those groups implies that our subject always looks for a kind of social visibility, which a restricted relationship with a soulless technological device cannot grant for.

With regards to this point, in fact, I would like to underline an alternative perspective of research, closer to the setting adopted in this Chapter, promoted by Gerd Gigerenzer and his colleagues. In their point of view, it is little meaningful to define system 2 on the base of “true” rules of logics and statistics, according to which there would be the occurrence of bias and errors. Human mind does not mainly work on the basis of a “stock” of algorithms of the formal reasoning, rather on the basis of heuristics. «A heuristic is a strategy that ignore part of the information, with the goal of making decisions more quickly, frugally, and/or accurately than more complex methods» (Gigerenzer & Gaissmaier, 2011: 454). The heuristics expressed by system 1, instead of constituting processes that are sub-optimal compared to those in system 2, are often compliant with an ecological rationality, which is the ability of adapting to a specific environment<sup>30</sup>. In this interpretational key, according to me, overwhelming or thymotical passions are a heuristic that takes place in situations where: a) we cannot simultaneously follow all the alternatives; b) non-primary

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<sup>30</sup> In the scientific literature of psychology and neuro science, the use by decision-makers of heuristics instead of optimization is a widespread idea that goes back at least to Newell & Simon (1976). Nevertheless, authors like Kahneman and Gigerenzer, mentioned in the text, express very different opinions regarding the nature and role of heuristics. In a nutshell, while Kahneman reckons they never approach the optimal strategy, but rather they weakly replace it when it absconds, Gigerenzer thinks many of them are tools of the ecologic rationality's satisficing operation.

alternatives (for us) emerge; c) choosing at once in favour of primary alternatives is determining; d) the occurrence of the decision-making itself through rapid and simplifying strategies is decisive. We shall now linger on these four requisite.

Requisite (a) and (b) are prompted by the realization that «people tend to have, simultaneously, several goals. At times these goals contradict one another; at times they have no relationship with each other; sometimes they have some bearing on one another, and at other times are the first step to achieving a higher ranking goal (e.g., to save money [subgoal 1], in order to retire comfortably [goal 1]). One way in which emotions function is to divert a particular course of action being taken in order to pursue a more urgent objective. That is, while one might be in the course of pursuing goal X, emotional arousal can subvert attention in order to pursue goal Y. Thus, emotions can function as a mechanism for establishing a hierarchy of goals by pressing us to pursue goals that have high survival value while setting aside less urgent ones. [...] Focusing and directing our attention is one of the fundamental roles played by our emotions» (Hanoch, 2002: 8). Therefore, given a list of priorities of events, requisite (b) underlines that passion ties to an alternative that appears relevant, that is an alternative to which we assign a high priority in our evaluation rank. Quoting Steven Pinker (1997), I might say that emotions are mechanisms that set the brain's highest goals. Once fostered by a favorable moment, an emotion triggers, in turn, the chain of sub-goals and sub-sub-goals that we call thought and action. Among the simplifying strategies of choice, I recall the “lexicographic” strategy, that consists in selecting the option with the best value in the subject's primary value dimension (see Fishburn, 1974), and the “elimination by aspect” strategy, according to which we eliminate the options who do not satisfy the reference value within the primary value dimension; then, we eliminate those who do not seem appropriate in the second best value dimension, and so on (see Tversky, 1972).

Requisite (c) indicates that passion refers to alternatives (extremely relevant for the subject) that need to be chosen immediately. One reason that makes the choice sudden regards the fact that the information obtained now is more important than the one who will follow in the future; hence, gathering additional information appears secondary or even redundant. An example is when her/his identitarian integrity is threatened (a woman who is about to be subjected to violence, an employee

humiliated by her/his employer, and so on): the burst of aggressiveness in the response does not wait for the collection of detailed information. Another reason arises when the set of alternatives among which the subject is called to choose tends to shrink, or becomes more expensive, as time goes by; therefore, s/he will feel the urge of selecting promptly an option that might be no longer accessible, or considerably more expensive in future. A roughly explicit example is formulated by Mao Zedong (1936), who affirms that in a fight it is better to cut off an enemy's finger than wounding all his ten fingers, while in war it is better to destroy an enemy division than attacking ten different sites.

Lastly, requisite (d) suggests that the process of choice itself should occur through rapid and simplifying procedures. Going back to the previous examples, the aggressiveness in reacting to the subjugation attempt, or the decision of cutting off an enemy's finger, are as more effective as faster and more direct is their execution.

Summing up: thymotical passion arises in unpredictable, though quite determinable, conditions: alternatives ranked by urge/importance; commitment towards primary alternatives; need of choosing immediately. Upon these conditions, identitarian passions shape a heuristic that is inscribed in our ecological rationality, and who is thus not sub-optimal compared to choices arisen from a logical and probabilistic calculus.

## **7. Conclusions**

Authors like Lock and Smith, Madison and Mill, developed an extremely refined and articulated conception of human psyche. Holmes (1995) points out that everybody, quite realistically, knows that human behaviour is nurtured by passions as well as by interest. The Author goes further by affirming that human beings are incessantly committed to a wide range of behaviours that have nothing to do with egoism and calculus. He rhetorically asks what the purpose of following nonconformity, falling in love with someone, getting back at humiliations our own group received, getting lost in gloomy meditations while looking outside the window, sympathizing with the less fortunate, being impatient to start a battle, turning down



someone's happiness, feeling stuck in fear when we speak in public, gossiping with no reason, blushing, hating ourselves, trying to understand the past (and so on...) are.

The strength of *thymós*, and of thymotical passions as well, is often evoked within this conception, but is domesticated at the same time, when proceeding to the establishment of the economic science as well as of the liberal political philosophy. «The legitimacy of our own interests' satisfaction is indeed at the basis of liberal-democratic modern societies. [...] Such legitimacy approximately occurred in the XVI and XVII centuries through authors who noticed how *aiming to our interest is a peaceful and harmless alternative to that violent passion for glory and honour* who had inspired for a long time the aristocratic and military ruling classes and had covered Europe in blood» (Romani, 1995: 20, italics added).

Obviously, here and there, the specificity of *thymós* bursts again, and it would be beneficial to collect incisive and distinguished quotations (for instance: Mandeville, 1714: 47-48; Galiani, 1750: 40-41; Smith, 1759: 150-151; Marshall, 1890, p.169; Veblen, 1899, p.91; Keynes, 1930, p.62). But, in its paradigmatic coordinates, economic science revolves around the nexus between desire and reason: *homo oeconomicus* bears desires, and s/he is committed to satisfy them according to reason. It is Smith, in *The Theory of Moral Sentiments* (1759), who engages himself in *linking all human passions to the profit yearning*. Hirschman (1977) says that it is worth noting that *homo oeconomicus* behaves as if he wanted to demonstrate the opposite, as he emphasizes the non-economic and non-consumerist reasons behind the fight for economic improvement. According to Hirschman, Hobbes had kept the yearning for honour, dignity, respect and consideration – namely: *thymós* – away from “the cure of necessary things”. The Author also adds that another writer of that time, Smith, proceeds towards an additional reduction, synthesizing the two categories in one: the yearning for economic profit is no longer autonomous, it rather becomes a pure vehicle carrying the desire for being considered. In the same way, non-economic impulses, and all their charge, are put at the service of the economic impulses they nurture and strengthen, thus losing the autonomy they were benefiting from before.

Similarly to what happens in economic science, *thymós* lays at the borders of the liberal political philosophy, which is the other main paradigm that, at the beginning of modernity, in order to set a good operation and balance of *pólis*,

elaborates strategies who rationally aim at moderating and controlling passions. In addition, also within this paradigm *thymós* tends to strongly re-emerge. For the sake of conciseness, we shall only recall one example: Isaiah Berlin. His most celebrated essay, further reputed one of the classic textbooks of the liberal political philosophy, is called *Two concepts of freedom*. Even in that, next to the “negative” and “positive” freedom, the author argues upon the desire of recognition, that is *thymós*, questioning whether it constitutes a request for freedom in a third acceptation (Berlin, 1958). According to Berlin, what oppressed classes or nationalities ask for, normally, is not only a non-mutilated freedom of action for their members, nor (above all) equality of social and economical opportunities, not even being assigned a role within an organic and friction-free state planned by a rational legislator. Indeed, what they want, most of the times at least, is simply the recognition (of their class or nation, of their colour or race) as independent source of human activity.

As for the domain of this economic-liberal setting, a theoretical observation recalling the argument debated so far, appears relevant: the conception of human being according to great philosophers such as Plato and Hobbes, Hegel and Nietzsche<sup>31</sup>, as well as great literary men like Homer, Dante and Shakespeare, suggests that humans fall in love and kill each others, consume and collect, undertake and figure, work and die, not only for calm/divisible passions, but mostly for thymotic passions. In fact, the need for recognition often lays the ground, according to that group of authors, of the whole human motivation, including the *homo oeconomicus*' longing for earnings. As Robert Nozick once affirmed (1989: 183), we can say that desiring power, fame and wealth means, mainly, desiring importance. Following Nozick, I argue that power, fame and wealth also implicate, in a substantial way, importance in its two forms, namely having effect and being taken into consideration, since they symbolize being important.

Now, do all these authors reflect and tell an anachronistic social world? At the very beginning of a new millennium, are we only dealing with reason-regulated passions? Or craving importance and overwhelming passions remain decisive? In this Chapter I have tried to sketch an analysis assuming, at least hypothetically, the

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<sup>31</sup> Two of the main recent philosophical conceptualisations on the topics of this Chapter are written by Apel (1984) and Sloterdijk (2010).

centrality of *thymòs*. All implications of this initial attempt will require a further in-depth analysis to be carried out in further researches.

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