Economics and Social Interaction is a fresh attempt to overcome the traditional inability of economics to deal with interpersonal phenomena that occur within the sphere of markets and productive organisations. It makes use of traditional economic concepts for understanding interpersonal events, while venturing beyond those concepts to give a better account of personalised interactions. In contrast to other books, *Economics and Social Interaction* offers the reader a rigorous effort at extending economic analysis to a notoriously slippery field in a consistent manner, sensitive to insights from other behavioural and social sciences. This collection represents an important contribution to a growing research agenda in the social sciences.

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Economics and Social Interaction

Accounting for Interpersonal Relations

Edited By

Benedetto Gui and Robert Sugden
To our wives, Marina and Christine, who tolerantly accept the discrepancies between righteous theorising about social interaction and its domestic practice.
## Contents

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Title</th>
<th>Author(s)</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Why interpersonal relations matter for economics</td>
<td>Benedetto Gui and Robert Sugden</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>From transactions to encounters: the joint generation of relational goods and conventional values</td>
<td>Benedetto Gui</td>
<td>23</td>
</tr>
<tr>
<td>3</td>
<td>Fellow-feeling</td>
<td>Robert Sugden</td>
<td>52</td>
</tr>
<tr>
<td>4</td>
<td>Interpersonal interaction and economic theory: the case of public goods</td>
<td>Nicholas Bardsley</td>
<td>76</td>
</tr>
<tr>
<td>5</td>
<td>Under trusting eyes: the responsive nature of trust</td>
<td>Vittorio Pelligra</td>
<td>105</td>
</tr>
<tr>
<td>6</td>
<td>Interpersonal relations and job satisfaction: some empirical results in social and community care services</td>
<td>Carlo Borzaga and Sara Depedri</td>
<td>125</td>
</tr>
<tr>
<td>7</td>
<td>On the possible conflict between economic growth and social development</td>
<td>Angelo Antoci, Pier Luigi Sacco and Paolo Vanin</td>
<td>150</td>
</tr>
<tr>
<td>8</td>
<td>The logic of good social relations</td>
<td>Serge-Christophe Kolm</td>
<td>174</td>
</tr>
<tr>
<td>9</td>
<td>The mutual validation of ends</td>
<td>Shaun Hargreaves Heap</td>
<td>190</td>
</tr>
</tbody>
</table>
10 *Hic sunt leones*: interpersonal relations as unexplored territory in the tradition of economics

LUIGINO BRUNI

11 Authority and power in economic and sociological approaches to interpersonal relations: from interactions to embeddedness

BERNARD GAZIER AND ISABELLE THIS SAINT-JEAN

12 Interpersonal relations and economics: comments from a feminist perspective

JULIE A. NELSON

13 Economics and interpersonal relations: ruling the social back in

LOUIS PUTTERMAN

Envoi

References

Index
Illustrations

Figures

2.1 The encounter as a productive process  
5.1 Two games  
6.1 Preferences for wages and relational goods  
7.1 A graphic representation of cases (a) and (b) of proposition 4  

Tables

6.1 Main characteristics of organisations (percentage values)  
6.2 Main characteristics of employees (percentage values)  
6.3 Attitudes to work (average scores)  
6.4 The importance of working activity in commencing new relationships (average scores)  
6.5 Areas of satisfaction (average scores)  
6.6 Workers’ satisfaction by individual and organisational characteristics  
6.7 Satisfaction with the job as a whole (ordered probit)  
6.8 Satisfaction with relational aspects of the job, by wage level (average scores)  
6.9 Satisfaction with relational aspects of the job (ordered probit)  
6.10 Satisfaction with relational aspects, by type of organisation (average scores)  
6.11 Future intentions of workers  
6.12 Loyalty to the organisation with regard to attitudes (logit estimation)  
6.13 Loyalty to the organisation with regards to satisfaction (logit estimation)  
6.14 Willingness to quit, by the level of satisfaction with wages and relations (percentage values)  
6.15 Intentions to stay with the organisation and satisfaction with wages and relations (percentage values)  

ix
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While searching for a suitable example for this preface one of the editors of this book had the opportunity of hearing a senior manager reporting on an executives’ training course, and was particularly struck by one image. Participants in their forties and fifties were asked to engage in groups in a game. At one point they had to pass through a network of cords without touching them. After a while they were playing so excitedly that, in order to ease the passing, not only was everybody’s clothing reduced practically to underwear but somebody’s protrusive stomach was pressed by mates’ hands during the most crucial phases. Interestingly, this unconventional session ignited a fruitful communication among participants that contributed positively to the course’s educational outcome.

We are not advocating that our readers should be involved in similar learning procedures. What we claim is that invisible and hardly definable interpersonal elements – such as those that made training more effective after that bizarre game than before it – do matter in economic life, even though this is usually viewed as the province of the material, the measurable, the objective. And, secondly, that this has momentous consequences for how we depict, conceptualise and manage economic life.

According to conventional interpretations of the thematic and methodological boundaries of economics, interpersonal relations seem not to be the business of economists at all. However, we feel supported by evidence such as the example above, and by considerations that we present in the introduction below, in thinking that a book on economics and interpersonal relations need not trespass unduly beyond the competence of our discipline. We hope to convince our readers of this statement, and of the significance of the ‘relational’ domain for both economic facts and ideas.

The project of this book began in April 2001 in the quiet atmosphere of Praglia’s abbey conference centre, at the foot of the Euganean hills, not far from Padova. The British editor had been invited there by the
native to comment on the special issue the latter had edited the year before for *Annals of Public and Cooperative Economics*, devoted to economics and interpersonal relations (issue 2 of 2000). The dialogue was fruitful. The result is that two of the chapters of this book, by Bardsley and Kolm, come directly from that special issue; two more, by Bruni and Gui, have their roots there, but have been heavily revised; one is a new piece of work by contributors to the special issue (Sacco and Vanin, with co-author Antoci); three are by other invited speakers at that conference (Borzaga and Depedri, Gazier and This Saint-Jean, Sugden); another two are by authors whose research has intersected with the editors’ (Pelligra, Hargreaves Heap); and, last, the two commentaries at the end are by American scholars who have reacted from the other side of the Atlantic to this otherwise strictly European book. Wait a moment; we were forgetting the introductory chapter, which has forced us actually to confront each other’s views, in the spirit of the book’s title.

Many people gave moral support and useful suggestions for the completion of this book. Some are mentioned in individual chapters. Many others are collectively thanked here.

Furthermore, we cannot help expressing our gratitude to: Luca Clerici and Chiara Possia, who provided precious editorial aid; Mary Gabriel Walton, who took care of the final revision of the English style of some chapters; Blackwell Publishing, which allowed us to reprint previously published material; and, finally, the Italian Ministry for University and Research, for financial support.