Introduction: nature, scope, forms, motives, and effects of reciprocity

Reciprocity is treating other people as other people treat you, voluntarily and not as a result of a binding exchange agreement. It concerns acts, attitudes or sentiments, and the tradition of social science restricts the term to favourable items (to which revenge and retaliation are only very partially symmetrical, as we shall see). When reciprocity is not the whole of a social relation – as with returning a favour, or liking people who like you –, it is generally a part of it, often necessary for the rest. For instance, a free, peaceful and efficient society requires the mutual respect of persons and properties – the police and self-defence could not suffice and are costly – and people would or could not so respect others if they were not themselves respected. This permits, in particular, the working of markets and organizations, which also requires a minimum of trust, honesty, promise keeping, or fairness – and mutual help in organizations –, which can only be reciprocal. These latter reciprocities palliate difficulties in information and coercion (in particular, they provide the main correctors of market failures). Communities of all kinds imply reciprocities of mutual help among their members and, often, between each member and the community as such. In particular, a family is primarily an intense reciprocity of services and affection. The political and public sector includes various relations of reciprocity, and the regimes known as "welfare states" add a few important ones

concerning aid, health, pensions, and education. Good social relations in general, which are essential for the amenity and value of a society, are sustained by reciprocity. Indeed, reciprocity, when it is not supported by oppressive norms, is a balanced and fair set of free helpful acts, and sometimes it also results from reinforcing liking sentiments of all types and intensities. It is no surprise, therefore, that most social reformers have advocated a greater role for reciprocity as the alternative to coercive hierarchy, selfish exchange, and the utopia of unconditional altruism.

Reciprocity may seem to be a simple and unitarian behaviour – the simplistic tit for tat. On the contrary, however, reciprocity has several different psychological motives and various social structures, and most of these motives consist in a dynamic combination of a number of more elementary sentiments. However, these motives, dynamics, sentiments and structures are clear and neat when analyzed sufficiently.

The acts that constitute a relation of reciprocity are in the nature of gifts, by definition: each is freely chosen by an actor at some cost for herself, and it benefits someone else. They can in fact be transfers, help, aid, respect, favouring, being fair towards someone, and so on. These acts are not parts of an exchange of acts mutually conditional by external obligation – we will restrict the term "exchange" to this standard case (such as market exchanges). Note that some sentiment of "moral" obligation to "give in return" refers to another kind of obligation (it is not the implementation of a previous agreement or contract).

There are two categories of motives of reciprocity, plus an ambiguous third case, and two, three or four corresponding types of reciprocity (depending on specification), all this resulting from the interactions of thirty – or so – basic psychological phenomena.

In *balance* or *matching reciprocity*, the "return gift" is given with the aim of restoring some property of balance of the

initial situation disrupted by the initial gift, and, therefore, establishing some kind of balance with the initial gift. This equality is sometimes related to a sentiment of fairness. More precisely, this can be either rewarding justice providing a reward to the initial giver, or compensatory justice compensating the initial gift or the situation of both agents. The motive may be a sense of duty or of propriety, often obeying a moral or social norm, and failure to provide the return gift may arouse a sentiment of guilt or shame, or at least of impropriety. This failure may arouse a sentiment of moral indebtedness, which can induce dependency (if the initial giver can choose to demand something "in exchange") and a sentiment of inferiority with respect to the giver or in general. These views may be shared by other people, who may elicit a social pressure for giving in return or redeeming this moral debt. These moral or social obligations are sometimes oppressive, but they are not always, and they do not always exist. In contrast, balance or fairness accompanying benevolent gifts are favourable to good social relations. Nevertheless, it may also be that all this indebtedness induces is a sentiment or a duty of gratitude, and such a situation may last and constitute an important social bond.

In *liking reciprocity*, giving a return gift is motivated by a positive affective sentiment towards the initial giver. This sentiment may be aroused by an initial benevolent favour: it attaches to the person responsible for this favour. It may also result from a direct reciprocity of sentiments, by which one tends to like people who like oneself – and both sentiments can induce altruistic gift giving. This reciprocal liking results from the fact that one benefits more from being liked by someone when one likes her more. Indeed, one then cares more for her view, and her caring about oneself is more favourable to one's sense of self and of social existence, especially since her caring is with kindness and affection. As a consequence, a process which is both conscious and unconscious, and

voluntary (in paying attention to the other person) and involuntary, creates and allocates the attention and affection that constitute this sentiment.[1]

The ambiguous case is "sequential exchange": an agent replies to a gift with a return gift in order to be given another gift, and so on. The motives can be purely self-interested. The transfers or services are then no longer gifts proper, but simply parts of an exchange which are *de facto* yielded under the threat that later parts are not provided. However, sequences of favours commonly mix motives of interest, balance (or fairness) and liking. The last two are bound to be induced by the fact that the agents get to know each other, and they can provide a motive for the last gift.

Two other phenomena may intervene in reciprocities. One is gratitude, which is favourable to liking, but also has an aspect of balance or matching both in itself and by the return favour it may induce. The other fact is imitation, given that the beneficiary is particularly aware of an act aimed at her and benefiting her, and the initial giver is readily available as a beneficiary for the induced giving – this induces the strong mirror-image imitation. Similarly, a "contagion" of sentiments can induce reciprocal liking.

Concerning social structure, reciprocity between two agents extends into reciprocities involving a larger number of agents. Through "generalized reciprocity," having benefited from someone's help makes one prone to help still other people. This is the famous "helping behaviour" abundantly studied by social psychologists since the 1960s in observations and experiments. This extends further into "general reciprocity" based on a reciprocal sentiment towards

[1] Another phenomenon is that of giving for showing and proving one's liking. If the aim is to please the other person because she likes to be liked, the effect is like that of an altruistic gift. However, if the aim is to be liked in return, this aim is no longer altruistic, the giving is not genuinely benevolent, and, hence, this endeavour is largely self-defeating. Nevertheless, since the giver wants more to be liked the more she herself likes, this giving still generally reveals the giver's liking sentiment.

others in general, or "society" at large. For instance, the overall reciprocity of respect noted earlier is of the general type (you often do not meet again people who respect you, and your defecting in not respecting others in a large society does not change it – hence the motive is not sequential exchange either). The opposite of generalized reciprocity is "reverse reciprocity," by which people who help others tend to be helped by still others (they deserve it) – discussed notably by René Descartes, Adam Smith and Jeremy Bentham. Generalized and reverse reciprocity extend into longer chain reciprocities, such as various intergenerational reciprocities found in families, in pay-as-you-go pension systems, or in the public financing of education. These extended reciprocities are explained by some of the motives of standard reciprocities; by acting towards groups or on behalf of groups; and sometimes by relations of liking between the people one helps and who help oneself.

Understanding reciprocity is indispensable for understanding all social forms, such as communities, organizations, families, and political systems. In the economy, it is indispensable for understanding a number of essential facts such as the basic social conditions of a market system; why so many "market failures" do not induce breakdown in fields such as the provision of public goods or various externalities; the working of firms; the labour market and wage rigidities; productivity induced by reciprocity in trustfulness and trustworthiness; relations between political support and public services; the ethics of the welfare state; the economics of the family; the economics of small groups and of traditional systems (reciprocity is the basic concept in economic anthropology); processes of development which often destroy reciprocitarian relations, but also succeed thanks to them in very important cases; and so on.

Understanding reciprocity implies understanding what characterizes this conduct: its motivations. This is why strict behaviourism is of very little help. A reciprocal behaviour can

a priori have a variety of motives, and hence observing one provides little power to predict others in situations which cannot be strictly identical. The simple observation of acts can provide only very rough indications as to what is happening. It generally cannot show all the psychological possibilities and cases that lead to this behaviour. Only reflective psychological analysis can do this, with a notable role for empathy. Observation (including in laboratories) has a role for showing behaviour to be explained, not for providing the explanation itself. The advanced psychological analysis is often helped by formal models showing the relations between the various psychological elements and between them and action, and for analyzing the interactions between the participants.

The outcomes of these interactions are then explained by analytic "games of reciprocity." These games, however, are very particular in several respects. The players' motives and sentiments determine the type of the social relation. They may be similar (more or less symmetrical) or not, and of one kind or associating several kinds. This type of the social relation (and hence the motives and sentiments) a priori affects the players' preferences, in two ways: They are an object of the preferences, and they affect the preferences about the acts or transfers. The sentiments may then be modelled formally or not (as an example in which they are, the intensity of liking the other person can be modelled as an ordering or an ordinal variable). The direct interactions among these sentiments can also be represented. Issues of fairness can intervene in three ways: between the acts or transfers of different agents, about the resulting situation of the agents, and about the process and the choice of "solution" of the game.[2] The game can be

[2] For instance, the so-called Cournot-Nash solutions have in general no valid justification for one-shot (two moves) games. However, they are justified as one type of games of reciprocity, when the first player wants to be fair with respect to the order of the moves (chapter 22). The classical argument that Cournot-Nash solutions are "self-sustainable agreements" is not generally sufficient – and in addition would not apply to reciprocities since they are not agreements.

one-shot (two moves), or constitute a longer and more steady relationship. These games explain the acts or transfers, and, more or less, sentiments, attitudes, and the type of relation (for instance, a type of reciprocity or an exchange). In particular, this explains important paradoxes observed in processes of social change and development.

Reciprocity can support important and durable systems of giving and altruism, because it implies that a giver also receives, whereas pure giving is limited because it is detrimental to the giver. This has two types of important applications. One is the existence and sustainability of groups of people related by altruism and the corresponding aid, from family love to solidarities typical of various communities. The other is the existence of voluntary actions, more or less costly in some way to the giver, that freely transmit goods, services or information to other agents, or consist in freely abstaining from hurting them or obeying some indication or previous agreement, when these other agents could not otherwise have obtained these benefits, or could have obtained them only at a high cost. This includes transmitting private information of any kind. The costs saved can include various costs of forcing or constraining the agent. An impossibility of excluding a specific agent from a specific benefit and hence of selling it is a particular case (an externality, and the case of "non-excludable" public goods). These impossibilities or costs can prevent decisions of command or of exchange from having sufficient information. They can prevent commands from being obeyed and agreements from being implemented – thereby preventing commands and agreements themselves in the first place. These are "failures" of exchanges, agreements, or systems of command. The noted conducts, which are in the nature of gifts, sustainable in a framework of reciprocity, constitute the main correctors of such failures (other than replacing an exchange by a command, or the converse, with the resultant possibility of similar problems). This is manifested by various aids, respect, truth telling, promise keeping, trustworthiness and trustfulness, freely

contributing to public concerns, etc., which are vital to the working efficiency, or possibility, of exchanges and organizations.

Finally, its possible very important effects on social and economic efficiency, and on the quality of social relations, make reciprocity a central concern of moral sociology and normative economics. Institutional design, organizational choices, education, and other influences on the ethos of the society, cannot bypass this central issue.

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Note: This volume is only partially a translation of my book of 1984 on reciprocity (and of the previous papers that prepared it). These two works are complementary. Reference: *La Bonne Economie, La Réciprocité Générale*, Presses Universitaires de France, Paris, 1984; 472 pages.

Part I

Facts and forms

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Presentation

1.1 Evidence, scope, and motives of reciprocity

In his *Essay on the Gift* (1924) – one of the most influential founding works of social science – Marcel Mauss calls reciprocity "one of the human rocks on which societies are built." Reciprocity is treating others as they treat you, because of this very fact and not as the result of some agreed upon or expected exchange (this will be explained in detail). This basic, polymorphic and pervasive pattern of human social conduct is present in all social interactions and relations between individuals or groups that are neither overt violence nor based on threat of it, as the main fact or as a reciprocity of respect or attention that permits the other aspects of the relation. Nevertheless, reciprocity is not a primitive social fact; it results from some of three more fundamental ingredients – a duty of social balance or equity, the interaction of liking, and a mutuality of interests – which themselves result from a number of still more basic psychological elements. Of course, besides the reciprocity of favourable acts and sentiments – to which the tradition of social science restricts the concept of reciprocity –, there also is the negative reciprocation of revenge and retaliation for deterrence, which is only partially symmetrical to and does not have the fundamental role of ("positive") reciprocity.