Contents

List of figures  ix
Preface  xi
Acknowledgments xv

Introduction and preview  1

Part 1 Greed and love  39

1 Individual materialism, organizations, and power: The view from mainstream economics  41
  1.1 Homo Economicus: Humans as individual rational wealth maximizers  41
  1.2 Socioeconomic phenomena explained by the Homo Economicus view  51
  1.3 Love: The first addition to the mainstream view  57
  1.4 Power  60
  1.5 Networks and market frictions: The third addition to the mainstream view  68
  1.6 Conclusions  71

2 Love: The missing building block  74
  2.1 The plan of the chapter  76
  2.2 Love stories: Our loves and how they come to be  77
  2.3 Analysis: Love and the Love Principle  86
  2.4 The basic science of love: Introduction and preview  89
  2.5 The human brain  91
  2.6 Emotional development and regulation  98
  2.7 Categorization and emotional activation  102
## 2.8 Revisiting the Love Principle from an individual perspective

### 2.9 Comparing love with greed

### 2.10 Why does love exist? An evolutionary perspective

### 2.11 Conclusions

---

### Part II Groups, power, and the development of institutions

#### 3 Groups and power

##### 3.1 A note on methodology and organization

##### 3.2 A taxonomy of group archetypes

##### 3.3 Groups in practice

##### 3.4 Examples of the rise and application of group power

##### 3.5 The evolution of distinct group types to solve distinct economic problems

##### 3.6 Individual traits and the evolution of group types

##### 3.7 Relation with existing theories of group formation and power

##### 3.8 Conclusions

---

### 4 Networks and markets

##### 4.1 Power and market economics: The role of continuous contact makers

##### 4.2 Case study: The Eastern European economic transition

##### 4.3 Implications for economic theories of long-term growth

##### 4.4 Out-of-sample evidence

##### 4.5 Modern democracy and networking

##### 4.6 Relation with existing theories of networks

##### 4.7 Conclusions

---

### Part III Implications and examples

#### 5 The aggregate view

##### 5.1 Markets, groups, and power

##### 5.2 The main game: Love and greed

##### 5.3 A heuristic for reading dynamic social situations
## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.4 Further thoughts on economics</td>
<td>332</td>
</tr>
<tr>
<td>5.5 Conclusions and discussion</td>
<td>342</td>
</tr>
<tr>
<td>6 Theoretical appendix: Formal models and extensions</td>
<td>349</td>
</tr>
<tr>
<td>6.1 Model 1: Love and greed at the individual level</td>
<td>349</td>
</tr>
<tr>
<td>6.2 Model 2: Stylized groups and group power</td>
<td>357</td>
</tr>
<tr>
<td>6.3 Model 3: The operation of central authorities</td>
<td>372</td>
</tr>
<tr>
<td>6.4 Model 4: Politics, social capital, and economic growth</td>
<td>389</td>
</tr>
</tbody>
</table>

References: 397

Index: 423