

THE GOOD ECONOMY. GENERAL RECIPROCITY
LA BONNE ECONOMIE. LA RECIPROCITE GENERALE

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Summary

This volume shows the pervasive importance of reciprocity in social relations and builds the general economic theory of reciprocity. It then contrasts factually and normatively reciprocity with the two other polar modes of economic transfers, purely selfish exchange on the one hand, and command and force on the other. Reciprocity avoids and standardly palliates a number of failures of markets and administrations, and it can constitute good social relations – an essential aspect of a good society.

Reciprocity as giving because one has been given to has been for long a central concern of the social science, the basic concept of economic anthropology, the subject of sociological studies, and a common topic of experimented and theoretical social psychology – after perceptive considerations and use by early scholars (Adam Smith, Morelly, Proudhon, Thurnwald, etc.). Its economic analysis begun in the early 1970's in papers developed in this volume. Being constituted of gifts but implying generally mutually beneficial transfers, reciprocity is intermediate between pure gift giving and self-interested exchanges (reciprocity – as understood in the social science – on the one hand, and revenge and retaliation on the other hand, constitute the relations of reciprocation).

The theory of reciprocity is based on the distinction of the three basic types of reciprocitarian motives, conducts and relations and on the analysis of the three corresponding polar types: *balance-reciprocity*, *liking-reciprocity*, and *sequential exchange*. In balance-reciprocity, a gift elicits a return gift from a normed conduct, sometimes (but not necessarily) accompanied by a sentiment of fairness. In liking-reciprocity, a gift elicits liking the giver, which in turn induces giving to her. Sequential exchange is handing out or helping in order to maintain a profitable sequence of mutual transfers or helps; it can be strictly self-interested and is then a form of selfish exchange rather than reciprocity proper. These various, very different, motives can be associated in mixed cases.

Conducts of reciprocity, and the preferences that describe them, result from particular structures and dynamics of relations between basic emotional, cognitive and rational elements. This explains reciprocitarian sentiments, attitudes, and actions. The explanatory structure of liking reciprocity is particularly elaborate. The role of the historical evolution and selection of these social relations is also explained.

Reciprocity extends to propensity to give to someone because one has been given to by someone else (the much studied “helping behaviour”), to a propensity to favour givers even if they give to other people (a “reverse reciprocity” analyzed by René Descartes and Adam Smith), and to relations between persons and groups or communities (general reciprocities).

A family is first of all a network of reciprocities; this remark is the basis of the new economic theory of the family. The reciprocal respect of other people and their property is the condition of a peaceful and free society, of property, and of markets. Reciprocitarian conducts palliate lack and costs of information, contracts, and constraints, in markets and organizations. Organizations – including firms – require reciprocitarian relations between members and between members and the hierarchy or the institution. Genuine cooperatives are essentially reciprocities. Communities entail reciprocities between members and between members and the group.

Games of reciprocity analyze the various types of reciprocity and explain their outcomes. They are characterized by several features. Individuals’ types of attitudes and sentiments explicitly matter. Conducts and preferences depend on attitudes, sentiments, and the type of the relation. Reciprocities also imply specific concepts of solution of the game. This analysis also permits the comparison of various types of relations – various reciprocities, selfish exchange, etc. – with respect to their outcome and to the satisfaction of participants. The intrinsic values of the relations make some types of relations superior to others even though they seem to entail wastes concerning the sole transfers of goods or services. These analyses have major consequences concerning explanation and optimal policy in questions of organizations, regulation, institutional design, social change, and development.

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