

Special Section (Part Two): Relational Goods

Bridge Building Between Two Discourses: The Economic and the Group-Analytic

Farhad Dalal

Foulkes insisted that human beings are constituted through, and by, relationships from the first. Over recent years, corroborating evidence for this insight has been accumulating in a surprising variety of disciplines which include physics, biology, sociology, mathematics, complexity and economics. It turns out that the insight was more profound than Foulkes himself realized – that the nature of existence itself is relational. These insights have a considerable bearing on how we think about our work as group analysts.

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When I first heard the mysterious terms ‘relational and positional goods’ during the preparations for the G.A.S. ‘*The Economy of the Group*’ symposium in Bologna, they sounded obscure, esoteric and meant absolutely nothing to me as a group analyst. I imagine that this is the case with many group analysts in general. However, when I read some of Professor Zamagni’s work, I was excited to discover that there were a surprising number of parallels and echoes with the debates and conversations going on in the group-analytic community – the very debates that prompted me to write my first book (Dalal, 1998). Thus I see the task of this brief response to Professor Zamagni’s article, in part, as one of translation and bridge-building.

In thinking about the relationship of economics and psychology, a previous experience came to mind. Many years ago, whilst conversing and walking with a friend one evening in Bombay, we

stopped to eat some street food, *bhel puri*, from a vendor who had a small stall at the side of the road. I recall that I really enjoyed it and even now can almost feel the satisfied hum of spices on my palate. So pleasantly fed was I, that I complimented the man and gave a little more money than the actual cost of the snack. The man thanked me fulsomely and offered us a small quantity of rice puffs to counter the hot zinging spices on our palates. I was touched by this gesture, thanked the man, and he wished us a pleasant evening. As we walked away, I remarked on the vendor's graciousness and generosity.

But then my friend was a little dismissive of the whole experience: 'What is there to be touched about? You gave him some extra money, and he gave you some extra food. So you have both come out equal. There is nothing to be grateful about. It's only business.' For my friend it had been a potentially straightforward interaction, spoilt somewhat by my insistence in making unnecessary conversation with the lower classes. 'The man is only doing his job – what's the big deal?' I can see now, having read and heard Zamagni, that my friend is a utilitarian, in that his concern is limited to the exchanges between goods and money. But in focusing exclusively on the monetary value of the food, he is missing out on a lot of things. Meanwhile, I took away not only the satisfaction of a full stomach, but also good feelings. I presume that the vendor too might well have been left with pleasant affects. Thus when I say I really enjoyed 'it', the 'it' that I enjoyed consisted of much more than the exchange of the actual things (food and money); there was also the ambience, the flickering light from the kerosene lamp, the incense being burnt to keep away flies and mosquitoes, the attitude of the vendor, the conversation, to say nothing of the spontaneous exchange of gifts that took place.

These good feelings can be called 'relational goods' i.e. the relationship itself constitutes a commodity – a commodity that had no prior existence, but which was created by the interaction. In contrast, we can see that my friend was much more concerned with the utility values of the exchange, more concerned about being ripped off, and with maintaining his 'positional goods' vis-à-vis his class *position* in relation to that of the vendor. I would now say that my trivial conversation with the vendor ruffled my friend as it was experienced by him as an attack on his positional goods – i.e. that the exchange of friendly words were in some way diluting the status differentials between us and the vendor.

We can also see that I am much more likely to go back to that particular stall to eat my *bhel puri*, which I am likely to enjoy in an increasingly convivial atmosphere, and in the language of the economists increasingly accrue relational goods.

Now, whilst this story encapsulates something about positional goods, relational goods, exchange as well as reciprocity, some readers might still feel that the hard fiscal world of interest rates, taxes, stock markets and so on, has little or no relevance to the worlds of psychoanalysis, psychotherapy or group analysis. But if we recall Professor Zamagni's paper we can see that the two are not so distant from each other, because at bottom each is concerned with the same thing: human motivation and the principles of their interaction. Thus economists no less than psychoanalysts are concerned with questions of *why* people do the sorts of things that they do, and *how* they come to do it in the various ways that they do it. Moreover, the disputes and debates in both domains are so similar because they happen to draw on the same ancient philosophical agendas – the great debates about free will and determinism, nature and nurture, individual and group and so on.

And both disciplines have discovered that human motivation is not at all straightforward – we intend one thing and yet strangely, another thing occurs: I say I love you, yet I 'accidentally' kick you; we adjust interest rates to 'tweak' the economy, but it over-heats, burns and crashes putting millions out of work; the managing directors of a company institute structural changes to enhance profits, yet two years later the company goes out of business. Clearly, the road from causes to consequences are not straightforward; something mysterious is going on between our intentions and the outcomes that emerge.

Causes

Famously, Freud addressed this mystery by problematizing the beginnings of the process, the intention itself, the 'cause' as it were. He did this by introducing the notion of the unconscious – an invisible region containing hidden motivations and desires that disrupt and compromise conscious ones. Meantime, the economic discourse came increasingly to rely on a rational choice model in which humans are conceived of as essentially rational beings whose actions and choices are designed to maximize their self interest. However, some economists simultaneously also came to hold the

contradictory view that humans are ultimately deeply self-centred and profoundly selfish, i.e. irrational and emotional.¹

Zamagni's work is a cogent critique of this kind of world view. He says this is a 'grotesque vision of human nature . . . [which has] been handed down to us by the traditions of utilitarian jacobinism' (Zamagni, 1999: 217). We can also add that whatever the differences between the two schemas – the psychoanalytic and the economic – they both rely on a model of human beings which is grounded in an individualism.

For most of the 20th century, not only have the disciplines of psychoanalysis and economics suffered under the yoke of an individualism reliant on the atomist philosophies of Leibnitz, Kant, Hume, Hobbes and Descartes, but so has much of group analysis. From within the varieties of individualism generated by these philosophies, the dominant streams of psychoanalysis as well as economics have come to endorse this skewed vision of human nature. It is taken as a self-evident truth that humans have to be coerced into behaving well and if left free they would revert to their nasty selfish natures, as Hobbes would have it. Thus these philosophies and theories have to manufacture explanations of how and why people come, mysteriously it seems, to love, live, work and play together.

In trying to break free of this world view, it seems to me that Zamagni and his colleagues are engaged in a very similar project to the group-analytic one of developing a post-Foulkesian group-analytic theory.

There is an analogous parallel to be found in the physics of cosmology. We are taught that the Universe is moving inexorably towards increasing chaos and decay – that it is running down in a sense. The measure of this chaos is called entropy which is always on the increase. And whilst this is indeed true at one level, at another it is plainly untrue. Because since the Big Bang, rather than just increasing disorder, we also witness the creation of increasingly ordered entities – from simple atoms to heavy ones, from molecules to stars and planets, and ultimately the generation of networks of living systems, forming increasingly complex organisms. The mistake we tend to make is to think of chaos as the 'natural' state and order as something manufactured and so 'un-natural'. Not only is 'order' as natural as 'disorder' - ultimately both are reductive reifications that are unconsciously generated by the world views we are embedded in.

Consequences

If we now ask, why are each of these disciplines (economics and psychology) interested in the science of human motivation, then this question moves our attention from the region of ‘causes’ to that of ‘consequences’. Despite the fact that one discipline studies the human psyche, and the other the economy, ultimately what both seek to do is to effect a change in their objects of study. The intention ‘to effect a change’ reveals that there is some end result one is hoping for – one has some sort of goal in mind. The question pertinent to this region is: what is the purpose of my activity – either as an economist or a group analyst? And as we will see, there are similar dividing lines to be found within both discourses.

Psychology

Very broadly, in the world of practical psychology, some would see the ultimate aim to be to work towards an increasing state of psychological health and happiness. In contrast, others would say that the aim is a more limited one of analysing in order to get closer to some idea of truth and objectivity. In other words whilst some seek to effect an actual change, others say that they seek only to observe and describe. At the grossest level of generalization, allow me to call those who seek to effect changes as ‘therapists’, and those who seek objectivity, let me call in a shorthand ‘analysers’. I want to make this distinction in order to be able to bring out the two alternative philosophies of practice that we find in our discipline.

The ‘analysers’ say of the ‘therapists’ that even to countenance the intention of change is sheer hubris, saying: ‘Who are we to say how someone else should live their lives? On what basis can we say what life choice is right or wrong for someone?’ But in the exact moment they make this very valid point, the analysers succumb to the alternative conceit, of assuming that they can take an objective stance of pure observer, uncluttered by other agendas, conscious and unconscious. I use the word conceit, because the position is quite god-like, neutral, above and outside the observed. If we were to press the analysers and ask what is the point of their activity, some might concede that their hope is that when the truth is known then something new, perhaps better, will follow; but they would insist that this territory is beyond the remit of their responsibility.

I, alas, find myself continually succumbing to both sins: not only of thinking in a moment that ‘this’ rather than ‘that’ is more helpful

to the patient, but also at times of thinking that the patient's view of things is mistaken and mine is not. I would say that I am not alone and that we all of necessity continually succumb to these 'errors', if errors they be, because the very division between observation and activity is intrinsically untenable, precisely because *observation is itself an activity*, moreover an activity that can never be morally neutral. Remember Heisenberg.

Economics

Whilst there are many similar divisions to be found in economic discourse, I will limit myself to one that Zamagni alludes to – that between happiness and efficiency. Broadly, the division is between those who think about people, and those who think about 'markets'; and even more broadly, this is the division between the micro and the macro. Thus the ultimate intention of some economists is to manipulate economic systems to make them more fiscally 'efficient' and for others the intention is to allow people to be happier. There are two interlinked things here: first, we are faced now with complex questions about which gauges are we to use to measure efficiency or happiness. There are many different types of efficiency as there are of happiness; whilst one kind of efficiency or happiness is valued by some, it is simultaneously condemned by others. The second point is this: there is an implicit assumption that happiness and efficiency are of necessity opposed to each other. (There are links and echoes here with Freud's pleasure and reality principles).

In making these points, I have now arrived at the heart of Zamagni's thesis. He says that market economists have neglected to take into account the fact that 'relationship' is integral to the exchange process. Intrinsic to the market model is the idea of a natural order of things. In this way of thinking one has to let the reification 'nature' take its course. In this Hobbesian universe, analogies are drawn from Darwinist evolutionary theory where the strong are bound to overwhelm the weak, and that if one does anything to counter this so called 'natural' state of affairs, then because one is said to be going against the natural order, misfortune and calamity are bound to follow. We must not tamper with nature. Zamagni challenges this ethos, saying 'the most detrimental effect of the self-interest doctrine [is that] . . . it lead[s] us to believe that behaviours inspired by aims other than self interest are conducive to

economic disaster' (1999: 223). We have our own version of this in the psychotherapy world, where some read all events almost exclusively in terms of envy, hostility, the death instinct and so on, with the prospect of validation and warmth from the therapist being thought of as seduction, capitulation or serious errors of professional judgement.

The nature of the relationship

But now, as group analysts we might say to Zamagni: 'Big deal, so what's new?' We knew about the importance of relationship all along. That's been our job for over fifty years – attending to the relationship'.

Well this is true in a sense – we could say we were here first – but what has been the nature of the relationship that we have been attending to? There are two things here.

First, in the main our discipline teaches us to focus on a version of relationship which consists primarily of the exchange of thoughts and affects between biological entities like mother and infant – entities that float in a sociological and ideological vacuum. Zamagni makes exactly the same criticism regarding the idea of the 'market'. He strongly asserts that it is a mistake to think of the market as consisting of 'an allocation mechanism that can be studied *in vacuo* disregarding the kind of society surrounding it' (1999: 217).

Second, it is also the case that one's theory informs the kind of relationship one thinks one is engaging in. I would say of some contemporary but orthodox practitioners, that whilst they talk of the transference and countertransference, they do not actually give any weight to the relationship *per se*. To be more precise the relationship that the patient experiences with the analyst is said to be a projection by the patient and not to do with the *actual* analyst. It is a one-way street. The analyst is said to be neutral, non-interfering, merely observing and commenting on the patient and the patient's material. In this view there is little acknowledgement of the analyst actually co-creating what emerges in the clinical session. However, we actually live on a two-way street: for example, it is well known that if mothers keep their faces immobile for any length of time and not respond to their infants' attempts to communicate with gesture and eye contact, the infant gets very distressed and eventually gives up and collapses into a kind of depression. What this shows is that as human beings we are

'designed' from the first to relate, and when the person we are faced with does not respond then we inevitably get anxious and agitated. Thus a group of patients faced with a silent analyst with an immobile face are very likely to feel edgy. The mistaken analysis that inevitably follows is one in which says that this 'edginess' is something 'in' the patient or 'in' the group coming out, and all the analyst is doing is witnessing it. One could even say that this kind of analyst is not unlike the market economists: relying on his positional goods and dismissing the pertinence of relational goods.

The counter idea that is increasingly taking hold in economics as well as in the psychological sciences is that it is never possible to be outside relationship, and the act of observing and commenting on a relationship constitutes, in itself, a transforming contribution to that relationship, thus there is no neutral observer and there can be no pure analyst. It is this circular, recursive relationship between cause and effect, with one feeding into and changing the other, that causes our outcomes to be so different from our expectations.

In psychoanalysis the schools of intersubjectivity are beginning to develop theories and forms of practice that take account of structural complexities. And although I won't go into it here, the complexity sciences have much to say on this matter (Stacey et. al., 2000).

Some questions for Zamagni

I will now use these arguments to engage a little more directly with some of the ideas that Zamagni has put forward. In particular I would like to interrogate the distinction between relational and positional goods.

The relational perspective means that things can never be separated out from each other in actuality. However, we can abstract things – that is separate them – in our minds. Norbert Elias calls this 'process reduction'. And although this is a very powerful method of scientific inquiry, Elias tells us that we tend to forget that the separation only exists at the level of mental abstraction and not in actual fact. (The notions of order and disorder are two such categories.) When we reduce processes to abstracted states, we mistakenly imagine that the abstracted elements have an autonomous existence with no necessity for the presence of the other

abstracted elements; and further we imagine that the abstracted elements are in opposition and conflict with each other.

As I understand it, positional goods are things we enjoy because of the position it gives us in relation to others, or in another reading: goods we can enjoy by virtue of the position we inhabit vis-à-vis others. Zamagni says that positional goods are 'goods that confer utility for the status they create'. Ownership of a Ferrari is only possible if one occupies a certain economic position, and the fact of ownership further enhances the positional status of the owner relative to others. So it seems that the wish for positional goods encourage a distancing and fragmenting process in societies, whilst relational goods work towards bringing people closer together.

When it is put like this then we can see that we are not so far from the psychoanalytic division libido and aggression here. Remember libido draws people together and aggression fragments. Similarly, relational goods bring people together and positional goods drive them apart. Thus we might say that the difference between positional and relational goods is one of 'direction' – towards or away – and not a difference of 'type'. It is also the case that the very idea of position relies on a *relation* to other positions. Or to put it another way, relationship is constituted by two or more things being positioned relative to each other: one has to occupy a position to a thing in order to relate to that thing. Thus what I am suggesting is that positional goods are in fact constituted by relational goods – albeit the sorts of relations one might not necessarily desire. As David Glynn pointed out to me, competition and co-operation are both forms of *social relation*. Presumably not just good feelings but bad feelings are also relational goods – goods we don't want to be sure – but ones that we are obliged to go away with nonetheless.

The other point I would like to make is to do with the notion of altruism – and particularly the idea of pure altruism. Moral philosophies reliant on the Hobbesian model of human nature argue that there is no such thing as altruism. It is argued that when we do something apparently generous – say giving money to a beggar that one will never see again – then behind this apparent generosity there is a self-serving aggrandisement. It is argued that because in the doing of it I end up feeling good and noble, therefore the apparent generous act is self-serving, in that I have done the deed ultimately to make myself feel good; it seems we have been caught out. The idea of a pure altruism is one where one does something for another

and one gets absolutely nothing in return. But what this would require is for there to be no connection between the giver and the receiver – and this is a psychological and physiological impossibility. Altruism is first and last relational. There can be no such thing as a pure altruism. The fact that we might feel good because of having done good is nothing to be ashamed about, in fact it must be what encourages us to do good things. Surely what we are witnessing is a version of Freud's pleasure principle in action – but reversed, in that here it is not so self-centred.

This version of altruism brings us back to the circularity in which the act of giving is simultaneously an act of receiving. In the world of economics, this way of thinking means that it is no longer possible to neatly divide consumers from producers. As Zamagni says 'it is impossible nowadays to determine *a priori* which activities are means and which are ends' (1999: 230).

In the world of psychoanalysis, this way of thinking also problematizes the distinction between observer and observed in renditions of clinical events. In the world of group analysis, when one person is speaking then they think that they are 'taking' the group's time; but as they speak they also give, and as others listen they also take. What the discussion on altruism shows is that even as one gives one simultaneously receives, and that this is inevitable because of the relational nature of existence.

Elias

The radical theory of group analysis would concur with Zamagni's view that the micro and the macro are part of the same process and that relationship and society impact deeply on the exchange mechanisms, but would put it slightly differently. Radical group theory would say that all aspects of the exchange mechanisms and their agents are actually constituted at the deepest of levels by what Foulkes has called the social unconscious.

If we are looking for a bridge between psychology and economics, if we are looking for a key to 'the emergence of relational goods in society, mind and brain' as the subtitle of the Bologna conference stated, then Norbert Elias is our man. Elias is usually described as a sociologist, but the depth and scope of his work and insight are such that he could equally be called a philosopher, an anthropologist, a psychologist, a historian as well as an economist.

If you have not read Elias's work, then I urge you to do so. Elias shows that the transformations in exchange mechanisms (from a barter economy to a money economy), the changing power of relationships between the rulers and the ruled, the changes of the rules of daily life, the shifts in the structures and forms of government, and the changes in the actual structures of psyches were all part of larger psychogenetic and sociogenetic processes that were eventually to generate the idea of Europe. It is this grand vision that makes Elias's analysis so potent for the themes of this conference.

I cannot do any justice to Elias here, so I will briefly mention just one strand which he calls 'chains of interdependence'. He says that in the time of barter economy – the Dark and early Middle Ages – the chains of interaction and exchange are short – confined as they are to others in the vicinity. Once the chains of interaction start to lengthen, then this requires the advent of money, and this in turn allows the chains to lengthen even further. Elias says that the chains of interdependence between people get longer, and society becomes more complex with tasks and functions becoming specialized. Once this happens, the logic of the situation demands that people increasingly constrain their passions, because their lives and livelihoods are increasingly dependent on others. The formula is: the longer the chains, the greater the interdependence, the greater the constraints. Quite literally, the length of the chains inculcate 'the habituation to foresight' (Elias, 1994: 462). Quite simply, people need to look further ahead. These shifts constitute actual changes to the structure of the psyche as it stays in step with evolving norms and social structures. Although there are some problems with this model, one can see that what it espouses is a very different relationship between the individual and society – not one where they are inevitably at war with each other – but one in which they are aspects of the same process.

Conclusion

Freud used the term *economy* to describe the quantity, 'circulation and distribution of . . . instinctual energy' (Laplace and Pontalis, 1988:127) in the psyche. When this notion is mapped on to that of the idea of a group, then we can say that the 'economy of the group' consists of the sum of transactions that take place inside the group, and across its borders. However, if one takes up a radical version of

relationship, in which the existence of *one* thing is integral to the existence of *another*, then this problematizes our habitual way of reading what goes on inside groups as exchanges between discreet entities. What this means as group analysts is that we should talk less of transference and more of resonance.

One last thing: in these discussions ‘the relational’ has become a reified object. There is now the danger that this reified object will become ‘commodified’ and then fall prey to the forces of consumerism. In other words, the danger is that ‘the relational’ could be subverted, made instrumental, and put in the service of ‘the positional’.

Notes

- 1 Freud managed this contradiction in his theory by allocating the rational function to the ego and the selfish to the id.

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Farhad Dalal is a supervisor and training group analyst at the Institute of Group Analysis, London. He is an Associate Fellow at the University of Hertfordshire’s Business School, in the Complexity and Management Centre. He is in private practice and is a member of the North East London Psychotherapy and Counselling Association and the Group Analytic Network Psychotherapy Service. *Author’s address*: Institute of Group Analysis, 1, Daleham Gardens, NW3 5BY, UK. Email: farhad.dalal@groupanalyticnetwork.co.uk