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Collective Emotions, Relational Goods and Profit

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Introduction

The initial motivating thoughts of this thesis were the following ones: On various occasions, people form audiences and pay money in order to be part of this audience. Examples are sports and cultural events such as a football game, a theatre performance, or a music concert. But what is it exactly that is sold in such an audience activity? What are the motivating forces behind people's willingness to pay an entrance fee in order to watch together with others a certain series of events taking place on a stage or a sports facility?

In order to gain insights about the nature of the economic transaction in such activities, it seems to be helpful to think about potential similarities between such heterogeneous social events as a football match and a theatre performance. If one can come up with an account that explains what is sold and bought in these disparate social events, the chances will be high that this answer can explain other activities as well.

As has just been said, in both situations, human beings form an audience and watch an event together. An audience can be defined as a special type of social collective consisting of heterogeneous individuals that are "in a situation of *joint attention* towards an *event*" (Thonhauser and Wetzels 2019, 234). In this situation, that is also characterized by specific spatial or temporal arrangements, the members of the audience are not only passive receivers of the event but mutually affect the event and each other.

Audiences typically experience specific emotions related to the event, be it the amusement during a comedy, the celebration of the goal scored by the home-team or negative emotions such as the sorrow over the home-team's loss or over a tragedy's ending. Thonhauser and Wetzels (2019, 230f.) emphasize the relational and communicative nature of emotions and characterize them as expressions of the body being "primarily located in the communication *between* bodies". This understanding of emotions indicates that emotions are very often experienced in social interaction and hence, triggers an interest into the collective dimension of emotions. And indeed, what is special in audience settings is that people do not experience these emotions just on their own, they experience them together with others which is why one can speak of *collective emotions*. Hence, collective emotions seem to be a first element that is generally present in audience activities.

To my mind, the Corona pandemic, and the related absence of events where people form audiences, laid bare that it is – especially on a phenomenological and emotional level – something entirely different to watch a football match or theatre play at home in front of the TV instead of being part of an audience in a specific temporal and spatial setting. I suppose that the main reason for this difference is that this collective and social component of emotions is missing in the former case. This points to the importance of collective emotions for the attractiveness of social events that include an audience.

A further similarity between football games and theatre performances is that they typically can be characterized as “non instrumental social activities” (Becchetti, Pelloni, and Rossetti 2008, 344) that produce *relational goods*, i.e. intangible entities that account for the benefits we derive from the communicative/affective side of interpersonal relationships (Gui 2000; 2005). This special sort of goods “include companionship, emotional support, social approval, solidarity, a sense of belonging […], the desire to be loved or recognized by others etc.” (Becchetti, Pelloni, and Rossetti 2008, 345) and there is empirical evidence that relational goods contribute significantly to our well-being. (Bartolini 2014) Relational goods are further characterized as “what is enjoyed […] during the interaction itself” (Gui 2005, 37). Hence, they are “produced” and “consumed” at the same time, namely during a social interaction.

But how are these goods produced and in which settings do they arise? Based on Adam Smith’s concept of fellow-feeling, Sugden (2005) argues that we derive pleasure from a correspondence of sentiments, i.e. if we notice that our own affective response and that of another person correspond to each other. According to him, this is the “production technology” of relational goods. Because of the correspondence of sentiments, feeling joy about the goal being scored by one’s favorite team is different if one is among the crowd in the stadium instead of being alone at home in front of the TV-set. Similarly, the experience of a theatre play would be entirely different if one was the only person in the audience.

Since collective emotions very often involve corresponding affective responses to a certain emotion-eliciting object, this thesis argues that collective emotions play an important role in the production of relational goods. If one is in an audience setting and experiences collective emotions, which typically involve corresponding sentiments, relational goods will be produced, and this will be a reason why one values the regarding social event. Moreover, based on Thonhauser’s (2022) account of emotional sharing (a special type of collective emotion), it will be argued that episodes of emotional sharing are relational goods in themselves.

This close connection between collective emotions and relational goods will be the focus of my thesis and I take audience activities to be suitable examples that can illustrate the connection vividly. This analysis leaves us with a tentative answer to the initial questions: What is sold in audience activities is the occasion to experience a collective emotion and thereby, to co-produce and consume a relational good which influences one's well-being.

Having said this leads to the next argumentative step. There exists a business behind these events that aims to generate revenue, and in the best case, to make profit out of people's desire for and appreciation of collective emotions and relational goods. One cannot be part of such an audience for free but has to pay a significant entrance fee – in plain language: one has to buy a ticket. And especially with respect to football, the ticket is usually not the only thing one is buying – there are TV subscriptions, fan merchandise and many other commodities. In other words, there is an institutionalized attempt to monetize the relational goods in various forms.

This thesis argues that ordinary economic models that do not take relational goods into account are potentially an inappropriate basis for making decisions in these businesses. The reason for this is that the disregard of relational goods in the models may lead to an inefficiency in the sense that the pursuit of profit diminishes the relational goods which are the basis of the business model.

Again, I use football as an example and claim that the excessive monetization of relational goods in football is prone to backfire and to undermine the production of these relational goods by changing the relevant collective emotions. Walsh and Giulianotti (2007) have named this the Pragmatic Pathology of the commodification of football. This could threaten the preconditions for making profit in professional football in the long run.

Benedetto Gui (2005, 49) justifies his investigations on relational goods in a similar way. Economic theory should account for the interpersonal dimension of our reality because "there remain real phenomena that risk not even being conceptualized in economic terms, and therefore are liable to be ignored in individual, corporate and governmental decision making based on economic reasoning" (Gui 2005, 49). If we ignore elements and factors that contribute to our well-being, "the search for efficiency is destined to damage" (Gui 2005, 49) these elements seriously and thereby, promotes inefficiency.

One can draw an analogy to the natural environment where the fact that standard economic models do not account for ecological consequences leads to a market failure in terms of an excessive exploitation of natural resources. Similarly, if economic theory continues to ignore relational goods, this could harm our social environment and cause inefficiencies. I take the commodification of football to be one example for this danger. Decisions based on economic reasoning fostered the growing influence of financial capital in football and may harm the relational goods that are the basis of this sport.

“There is an overwhelming sense that football has moved far away from its social roots to become the creature of business. […] [T]he upshot of this mission to spread the game worldwide and monetise it has been the alienation of its core audience. Football, we are told, has lost its soul.” (Kennedy and Kennedy 2016, 1) If the analysis of this thesis is successful and convincing, it will have the welcome side-effect to provide a theoretical foundation for this “overwhelming sense”.

To sum up, this thesis wants to investigate the connection between collective emotions and relational goods with the examples of football and theatre audiences in mind. The reason for using this method is that these settings are both paradigmatic instances of collective emotions and of relational goods and hence, they seem to be apt to guide an analysis of the interrelation of these phenomena. Moreover, in both settings, there exists a business behind these events that tries to monetize them. Hence, an analysis of football and theatre audiences seems to be promising for gaining insights on the monetization of relational goods and for shedding light on potential implications for economic theory.

Following a brief introduction into the philosophy of emotions and collective emotions in general, I present the concept of emotional sharing which is a special type of collective emotions. I focus on this type because I assume that the emotions that both football and theatre audiences typically experience can be characterized as episodes of emotional sharing.

In the second chapter, I turn towards the concept of relational goods and present Benedetto Gui’s (2000; 2005) account which I combine with certain ideas of Carole Uhlaner (1989) on the distinction of direct-contact and indirect-contact relational goods. Based on the work of Robert Sugden (2005), I argue that one way of producing relational goods is by becoming conscious of a correspondence of sentiments. This provides the link between collective emotions and relational goods because collective emotions typically involve a correspondence of sentiments. I claim that episodes of emotional sharing are direct-contact relational goods. As indicated above, all of these analytical and argumentative steps will be illustrated by examples of football matches or theatre performances.

The third chapter will then focus on the monetization of relational goods. First, I characterize relational goods as non-excludable, non-rival (or even anti-rival), and non-marketable local public goods. Second, I define the term *monetization*, in contrast to other similar terms, as the attempt to make monetary profit on the basis of a certain good. After that, I argue that, in some contexts, there are good reasons for economic models to take relational goods into account. Finally, I strengthen this claim by looking at the example of football and the monetization of relational goods in this branch.

1 Collective Emotions

1.1 Philosophy of Emotions

Throughout history, many philosophers have worked on the question of what emotions are and how we can conceptualize them. There are many different approaches to this issue that cannot be exhaustively listed in the scope of this thesis. Hence, I will focus on one line of thought that seems to be promising for my purpose.

It is a widely shared view that emotions consist of different components, among them are potentially an evaluative, physiological, phenomenological, expressive, behavioral and mental component. An important model of emotion is Scherer's (2005; 2009) *component process model*. He defines emotions as a multicomponent process where the individual components are states of the so-called subsystems that interrelate with each other during the process. Although "the notion of emotions as component processes seems to gain increasing acceptance" (Scherer 2005, 697), philosophers of emotion disagree on the question of which components are essential for emotions or which are the most important ones. (Scarantino and de Sousa 2021)

Schmid (2017, 152–54) and Slaby (2014, 33–35) both make a strong case for a combination of these different components. First and foremost, emotions track value and indicate what matters to us (evaluative component). For this reason, they are accompanied by a disposition to act (behavioral component). Schmid characterizes emotions as *practical knowledge* because emotions tell us what to do given our values, cares, and concerns. If I wake up in the middle of the night and see a fire in my bedroom, I experience fear because I evaluate the fire as being dangerous for something about which I care, namely my life. At the same time, a disposition to act in a way that protects myself from the imminent danger is induced. I am disposed to leave the bedroom quickly and, depending on the scope of the fire, to try to extinguish it on my own or to call the fire brigade. The way emotions "present" this knowledge to us are physiological changes, such as an increased heart rate when seeing the fire, or phenomenal experiences, such as the unpleasant feeling of fear. Because of these two components, emotions are "knowledge of the *effective* kind" (Schmid 2017, 153), i.e. they usually precede a certain action. (Scarantino and de Sousa 2021)

For the context of this thesis, I will roughly follow this view and speak of emotions as consisting of at least these four components: evaluative, behavioral, physiological, and phenomenological.

I suggest that the first two represent the cognitive aspect of emotions because value judgements and dispositions to act are intentional attitudes. The physiological and phenomenological components would then be the affective side of an emotion because they are bodily felt and arise typically spontaneously without us having agential control over them.

This indicates that the notion of emotion applied in this thesis is one that overcomes the dichotomy between what Thonhauser & Wetzels (2019, 228–30) call the *somatic feeling paradigm* and the *cognitivist appraisal paradigm*. Those were the leading paradigms in research on emotions during the 20th century and reduced emotions either to physiological or cognitive processes. According to the somatic feeling paradigm, emotions can be explained entirely by bodily changes and physiological forces. On the contrary, the cognitivist appraisal paradigm characterizes emotions as "intentional states directed towards objects and events in the world" (Thonhauser and Wetzels 2019, 229) which are evaluated or appraised cognitively. It associates emotions closely with judgements.

According to Thonhauser & Wetzels (2019, 230–31), both of these paradigms are unsatisfying because they assume an unplausible mind-body dualism and cannot explain the social-relational dynamics that are characteristic for many situations in which we experience emotions. Slaby (2014, 34) seems to agree with them in stating that "neither cognitivism nor feeling theories about emotion can be right". They argue that emotions are not located *in* the body, be it in terms of physiological or cognitive processes, but "they are expressions *of* the body. More accurately, they are primarily located in the communication *between* bodies." (Thonhauser and Wetzels 2019, 231).

Speaking of *bodies*, in the plural, brings attention to situations where emotions are experienced in interaction with other human beings – or in other words, in a social-relational dynamic setting. Obviously, this also gives rise to an interest in collective emotions for which the social-relational settings of a football or a theatre audience seem to be paradigmatic examples.

It will be the task of the next section to lift the theory of emotions sketched out above onto a collective level. Note that I have presented two fundamental assumptions regarding a theory of emotions in this section which I take for granted in the remainder of this thesis. First, emotions have different components. To be more precise, they have at least an evaluative, a behavioral, a physiological and a phenomenological component. I say "at least" because these components will figure in my analysis while I will not engage in a detailed discussion if there are more than these four components. There may be more components, but they do not play a significant role in my argument. Second, in order to explain emotions adequately one must acknowledge that these components are of equal rank. We cannot reduce, e.g., the evaluative component to the physiological one or vice versa. Emotions are neither solely, not even primarily, cognitive nor affective.

1.2 Collective Emotions in General

In general, collective emotions are one mode of collective intentionality which is “the power of minds to be jointly directed at objects, matters of fact, states of affairs, goals, or values” (Schweikard and Schmid 2021). Other forms of collective intentionality are shared intention, shared belief, collective acceptance, and joint attention. The latter will become relevant in my analysis of emotions in audiences as well.

Similar to individual emotions, there are also various theories of collective emotions such as Margaret Gilbert’s (2002) account of collective guilt feelings based on joint commitments, Jan Slaby’s (2014) work on extended emotions, Hans Bernhard Schmid’s (2009) theory of shared feelings or Mikko Salmela’s (2012) shared emotions – just to mention a few authors who have worked in this field. Each of these theories has its advantages and shortcomings and is suitable for the analysis of different cases or instances of collective emotions.

For my analysis of collective emotions and relational goods in football and theatre audiences, I will apply the concept of *emotional sharing* presented by Gerhard Thonhauser (2022) and Thonhauser & Wetzels (2019). Since the authors present this concept with the example of a football audience at hand, it is highly promising for my purpose.

As already mentioned in section 1.1, these authors argue that neither the cognitivist appraisal paradigm nor the somatic feeling paradigm are satisfying and they aim to overcome this dichotomy. (Thonhauser and Wetzels 2019, 228–31) Hence, it is plausible that the concept of emotional sharing is compatible with my notion of emotions as consisting of different components of equal rank.

Thonhauser (2022, 31) defines collectives “as self-organizing systems that emerge when individuals with suitable habitualized interaction patterns are sufficiently coupled in ongoing social interaction”. If a collective enacts an affective experience, we can speak of a collective emotion. There are various types of collective emotions of which *emotional sharing* is an especially robust one. An episode of emotional sharing is typically characterized by four structural features.

It is important to notice that these features are not necessary and sufficient conditions for emotional sharing or collective emotions in general. They are just typical features that allow a differentiation between various types of collective emotions. I will explain these features in section 1.3. (Thonhauser 2022, 31–35)

1.2.1 Audiences as a Special Type of Collective

As explained in the introduction, this thesis considers football and theatre audiences as settings where people typically experience collective emotions. Thus, it is necessary to determine what an audience is. Following Thonhauser & Wetzels (2019, 234–35) and Kolesch & Knoblauch (2019), I conceive of an audience as a collective of bodily co-present individuals. It is important to emphasize the bodily co-presence because the term "audience" is frequently used in studies of mass media or digital media where this element is missing. This makes a huge difference because "the bodily co-presence of audience and performers allows for real-time, face-to-face interactions between audience and performers and their reciprocal influences that differ categorically from mediatized forms of interaction" (Kolesch and Knoblauch 2019, 254).

Furthermore, audiences typically display the following characteristics:

- They are constituted by a shared focus, such as a football match or a theatre performance. An audience consists of heterogeneous individuals that possibly do not know each other and meet only in this special setting where they "are in a situation of *joint attention* towards an *event*" (Thonhauser and Wetzels 2019, 234).
- Being part of an audience is an activity that involves interaction with the performance and other audience members. According to some theorists, the audience has a very active role especially in arts performances (such as theatre) and is completing the performance through interpretation. (Kolesch and Knoblauch 2019, 254–56; Thonhauser and Wetzels 2019, 234)
- Additionally, specific forms of spatiality and temporality also play an important role. The architecture (a football stadium or a theatre building), atmospheres or specific time settings influence the audience's experience and guide their focus. (Kolesch and Knoblauch 2019, 260; Thonhauser and Wetzels 2019, 234–35)
- Finally, audiences face a shared contingency which is twofold. On the one hand, they are confronted with the uncertain development or outcome of the event to which they pay joint attention. Of course, the situation is not entirely unforeseeable because, e.g. they know that a football match will last for 90 minutes and probably most members of the audience can

anticipate the ending of Sophokles' *Antigone*. However, there is always some uncertainty involved which frequently gives rise to emotions. (Who will win the football match? How will the director stage Antigone's suicide?) On the other hand, the audience's behavior itself and their emotional expressions are also part of this shared contingency because they are not fully predictable and controllable. (Kolesch and Knoblauch 2019, 260; Thonhauser and Wetzels 2019, 235)

These characteristics should suffice for an approximate definition of what I take to be an audience for my analysis of collective emotions and relational goods in football and theatre.

1.3 Emotional Sharing

1.3.1 Preconditions and Four Features of Emotional Sharing

Before I discuss the four features of emotional sharing in detail and clarify them with an example at hand, it is necessary to explain the underlying assumptions behind this account of collective emotions. It is assumed that emotions can be socially extended via dynamical self-organization. This means that "[i]f individuals are integrated ("coupled") in a proper way, processes which are distributed among several individuals can form extended systems with emergent properties" (Thonhauser 2022, 32). This enables collectives to experience affective responses "whose components are distributed among several individuals" (Thonhauser 2022, 35). Remember that I have conceptualized emotions as consisting of different components (evaluative, behavioral, physiological, and phenomenological) of equal rank. According to this account of emotional sharing, dynamical self-organization of sufficiently integrated individuals allows for these components to be socially extended.

But how can one conceive of this integration of individuals? There are two forms of integration which are necessary for emotional sharing: *diachronic* and *synchronic* integration. The former is considered to be "the multidimensional shared background that enables a plurality of individuals to emotionally evaluate a situation in a similar way and to express corresponding emotions together" (Thonhauser and Wetzels 2019, 231). Diachronic integration includes, e.g., shared cultural knowledge, such as knowledge about the specific situation or about the adequate modes of expression, shared concerns, and the shared motivation to engage in coordinated action. What diachronic integration demands in a given situation is context-dependent. (Thonhauser and Wetzels 2019, 231–33)

Synchronic integration, on the other hand, refers to the interactional dynamics in a situation where individuals experience emotions as a collective. It refers to the concrete interaction of the individuals not only with each other, but also with the event or object that triggers the emotion and with the socio-material setting in which they are. (Thonhauser and Wetzels 2019, 233)

To sum up, if diachronic and synchronic integration are present among a dynamically self-organized group of individuals, it is possible that the different components of an emotion are socially extended, i.e., distributed among several members of that collective. If this social extension is limited to the evaluative component, Thonhauser (2022, 34–35) suggests speaking of *joint emotions*. If other components are socially extended as well, the group is experiencing a *collective emotion*. And if the following four features are present, we are typically confronted with an episode of *emotional sharing*. (Thonhauser 2022, 36–37)

a) *Collective evaluative perspective and shared focus of the emotion:* In a case of emotional sharing, individuals evaluate a situation from a collective perspective. I suppose that one can identify this first feature with Salmela's (2012) notion of shared concerns. According to him, the term "concern" denotes "desires and aversions as well as attachments, interests, and cares that ground our emotional appraisals and responses" (Salmela 2012, 39). A shared concern is something that matters to us as a group and – as I will explain in more detail later – a shared concern can come in different degrees.

   At this point, it is necessary to introduce another conceptual distinction, namely that between mode, target and focus of an emotion.[1] The *mode* of the emotion is defined by its *formal object* which can be danger, offense etc. The formal object "danger" elicits the mode of "fear", "offense" elicits "anger" and so on. *Target* and *focus* form together the *content* of the emotion. The emotion is directed towards its target and the focus is an object in the background of the emotion which rationalizes the mode of the emotion. This becomes clearer with an example: Imagine that you see an aggressively looking dog heading towards a group of children. You will probably experience fear – this is the mode of the emotion. The dog is its target because it is the dog of whom you are afraid and not the children. The group of children is the focus of the emotion because you are concerned that the dog will

[1] Schmid (2009) is introducing this distinction with respect to feelings, not to emotions. I take feelings to be the phenomenological component of emotions and since Thonhauser (2022, 36) is speaking of the "focus" and the "target" of an emotion, I assume that the mode, focus and target of the feeling as the phenomenological component of the emotion define the mode, focus and target of the emotion itself.

hurt the children. Hence, the focus of the emotion rationalizes its mode with respect to the target. The mode of the emotion would not be rationalized if the target is a little hamster heading towards the group of children (focus). (Schmid 2009, 64–65)

The reason why this distinction is required at this point is that the first feature of emotional sharing can also be understood as a shared *focus* of the emotion. If a collective has a shared concern and experiences an emotion because of this concern, the shared concern will be the focus of the emotion. Take the example of a football audience who shares the concern for their favorite team to win the match. If the team scores a goal, they will experience joy (mode) because the goal being scored (target) contributes to the possible win of the team (shared focus).

b) *Collective appraisal:* As we have seen in the explanation of the first feature, a collective that is experiencing emotional sharing evaluates a certain object or event from a collective evaluative perspective, i.e., based on a shared concern. The second feature indicates that individuals, partaking in emotional sharing, “appraise the eliciting object or event in the same (or a sufficiently similar) way” (Thonhauser 2022, 36).

With the distinction explained above in mind, one can say that collective appraisal amounts to the mode and target of the emotion being sufficiently similar. Say, a theatre audience is watching a modern staging of Goethe’s *Faust*. They might feel anger (mode) right at the beginning because they do not like the way the famous introductory monologue of Faust is performed (target).

The reason why this second feature of emotional sharing demands only “sufficient similarity” between the individual appraisals is that we can allow for some variation in the mode or the target. Some part of the audience may be angry because the monologue has been modernized at all, others may be offended only by a single line that has been changed and some of them may dislike the way the actor is vocalizing the verses. These are all slightly different targets and perhaps, they do not feel the same quality of anger. Some may be in pure outrage while others only experience an unpleasant irritation. However, when zooming out, we can say that there is an audience that is angry about the way Faust’s monologue is performed. They collectively appraise the eliciting object in a similar way.[2]

[2] I will not engage in a discussion regarding which degree of similarity between individual appraisals is necessary for this second feature to be present. This would exceed the scope of this thesis. Moreover, I suppose that such a

c) <u>*Sense of togetherness*</u>*:* This feature evokes Schmid's (2014) concept of plural pre-reflective self-awareness. He argues that collective intentional attitudes presuppose a "sense of us", as Searle (1990) has put it, and that this "sense of us" is plural pre-reflective self-awareness which has many similarities to individual self-awareness. Contrary to self-reflection where the self is the object of its own consideration, self-awareness "is not a proper intentional 'act' that is directed towards the subject, but rather a feature, or component, of an intentional act that is directed towards whatever it is the subject happens to have in mind" (Schmid 2014, 13).

Self-awareness is further characterized by playing a constitutive role in our minds in three ways. First, it establishes ownership over our intentional attitudes such as beliefs, desires, feelings, or intentions. Due to self-awareness, you know that a certain belief is *your* belief and not somebody else's. Second, self-awareness constitutes selfhood via introducing "the distinction between what is 'self' and what is not" (Schmid 2014, 15). Our intentional attitudes are our own perspective on something external in the world – or, in the case of self-reflection, on ourselves. Third, self-awareness demands us to be consistent in our attitudes. Because of self-awareness, it is a problem for us to believe that *p* and that *not-p* at the same time. (Schmid 2014, 14–17)

In this sense, self-awareness accompanies all our intentional acts and provides us with the immediate knowledge that these are our own intentional attitudes on something and that they should be consistent. Hence, it does not need to be discovered by any cognitive act which is why it is characterized as *pre-reflective.*

If I experience fear regarding the dog attacking the group of children, I know via self-awareness that it is *my* fear that I experience and that this fear is directed on something. The idea is that this is also possible on a collective level. If I am part of a football audience who is cheering out of joy about the home team scoring a goal, we know immediately without any reflective act that this is *our* joy that we are expressing and experiencing right now. This is

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discussion would even be meaningless in this context because, as already said, these features are not necessary and sufficient conditions whose satisfaction we have to evaluate stringently. They are a characterization of one of many types of collective emotions. And such characterizations of emotions will almost always remain blurry due to the highly variable and complex nature of emotions.

what Thonhauser (2022, 36) refers to with "first-person plural awareness" and with "sense of togetherness".

d) *Self and other awareness:* However, this sense of togetherness is not so strong that the individual members of the collective would fuse into a super-individual. Although there is this plural pre-reflective self-awareness described above, emotional sharing still involves "an awareness of oneself and of others as co-subjects of the collective experience" (Thonhauser 2022, 36).

The aim of this feature seems to be to underline the concept of a collective as a self-organizing system of sufficiently integrated co-subjects instead of a super-individual or collective mind where the self-other distinction disappears. This feature emphasizes that in an instance of emotional sharing I am still aware that I, as an individual, am part of a collective whose participants are experiencing an emotion *together*. It further delineates emotional sharing from fictive examples such as the Borg from the Star Trek universe which is a super-individual with group consciousness that would experience emotions like an individual. (Thonhauser 2022, 36–39)

To conclude this passage about individual and plural self-awareness, a final remark seems to be appropriate. Repeatedly, Thonhauser (2022, 39) is stating that "[i]ndividual reflection can confirm the collective nature of the experience". If I as a sufficiently integrated co-subject of the collective reflect individually on the emotional experience, I will notice that it is not only *my* joy about the goal being scored or *my* anger about Faust's monologue. I will realize that "[i]t is *our* emotion, meaning that we are aware of *us* (a plurality of individuals) experiencing the emotion *together* (as one collective)." (Thonhauser 2022, 36)

Let's take stock for a moment. Emotional sharing is thus a type of a collective emotion that is characterized by four features. These features are a) a collective evaluative perspective, i.e., a shared concern among the members of the collective, something about which they all care in a similar way; b) collective appraisal which means that based on this shared concern the individual members evaluate the eliciting object or event in a similar way; c) a sense of togetherness in the form of plural pre-reflective self-awareness implying that they experience the emotion *together*; d) self and other awareness ensuring that they do not fuse into a super-individual but remain aware of their being individual co-subjects integrated into a collective.

1.3.2 Emotional Sharing in the Women's Euro 2022

An example will help to make this more comprehensible. Consider the audience in the Brighton & Hove Community Stadium in England during the quarterfinal of the UEFA Women's Euro 2022 between England and Spain on 20 July 2022. After 90 minutes the score was 1-1 and the match went into extra time. The thrill was enormous in the English audience because England had not triumphed in a big football tournament since 1966 and recently lost the final of the Men's Euro in their home country one year ago. Hence, the audience had a shared concern, namely that England should win this game in order to advance to the next round.

We can conceive of this audience as a collective that is able to experience emotional sharing because the members show sufficient diachronic and synchronic integration. They possess shared knowledge about the rules of football and comprehend what is happening on the pitch. They also know about the appropriate "repertoire of emotion" (Thonhauser 2022, 33) or the "feeling rules" (Thonhauser and Wetzels 2019, 232). That means they are aware of the fact that one is supposed to cheer and jubilate if the preferred team has scored a goal or applaud if they have recovered the ball in a promising position. Or, to make it more concrete with respect to our example, it is very likely that they know that it is common to sing the song "Three Lions (Football's Coming Home)" if England is successful at big tournaments. The mutual awareness of their shared concern that England should advance to the semifinal can also be considered as an element of diachronic integration. Concerning the synchronic integration, one can say that members of a football audience affectively resonate with one another in a dynamic way. A group of five friends may start to sing "Football's Coming Home" and when their neighbors notice, they set in as well thereby spreading the urge to express the emotions in a very specific way throughout the stadium. I suppose that we can think of a football audience as a social-relational setting that shows the necessary degree of diachronic and synchronic integration to allow for an episode of emotional sharing. (Thonhauser and Wetzels 2019, 231–33)

Having checked the preconditions of emotional sharing, we can now turn to a specific moment in this game. In the 96th minute, England's midfielder Georgia Stanway scores the 2-1 leading goal and causes enormous excitement and joy in the audience. The audience realizes that a goal has been scored in the extra time and that this can be decisive for England's advancement into the next round. Based on their shared concern, the individual members evaluate this event from a collective evaluative perspective in a similar way. They share the target (Stanway's goal), the focus (England potential win) and the mode (joy) of the emotion. Being situated in a noisy stadium where everyone around oneself is cheering and jubilating, they are aware that this is not only their own joy that they are experiencing, but that they are part of a collective that is experiencing joy *together*. Despite this, they still have the necessary awareness that they are co-subjects of this specific collective called "audience in the Brighton & Hove Community Stadium on 20 July 2022" instead of fusing into a super-individual. In my opinion, all four features of emotional sharing are present in a robust way so that we can convincingly speak of an episode of emotional sharing.

1.3.3 Audiences and Emotional Sharing

As the example outlined in section 1.3.2 has made clear, we can assume that football audiences satisfy all conditions to experience episodes of emotional sharing. In this section, I will show that this is also the case for other large audience activities such as theatre performances. Certain differences between those settings regarding the preconditions and features of emotional sharing need to be highlighted and could serve as incentives for further research. Concerning the subsequent claims about the connection between collective emotions (especially emotional sharing) and relational goods in this thesis, I take it to be very important that I have made comprehensible and plausible for the reader how emotional sharing does arise in audience activities and that this is not only the case in some rare exceptional cases. This is the aim of this section.

It has already been emphasized repeatedly in this thesis that a sufficient degree of diachronic and synchronic integration is necessary for emotions to be socially extended and hence, for experiencing an episode of emotional sharing. I assume that audiences typically satisfy these conditions. According to Thonhauser & Wetzels (2019, 231) diachronic integration is "the multidimensional shared background that enables a plurality of individuals to emotionally evaluate a situation in a similar way and to express corresponding emotions together".

I have stated that, with respect to football, it involves shared knowledge about the basic rules of the game and about the feeling rules related to the event. In general, some kind of shared knowledge about social norms that govern appropriate behavior within the relevant context will nearly always be part of diachronic integration. For people to form an audience in a cinema, a concert hall, a sports venue, a theatre or somewhere else, and to evaluate a situation in a similar way, it is typically necessary to know when to sit down, to be quiet, to applaud, to cheer, or to know which clothes are appropriate to wear, or if one is allowed to use a mobile phone and so on. All these aspects are governed by a set of basic social norms that guarantee that the event can take place without major friction. Obviously, it will depend on the type of event and audience what these basic norms are. I take the knowledge of these norms to form the core of diachronic integration in an audience setting.

Beyond these basic norms, one could ask: Do we require that all members of a theatre audience know which play is staged or how the main character is called in order for the audience to count as diachronically integrated? Although it seems to be interesting to discuss which further elements form part of diachronic integration dependent on the type of audience in question, space does not allow for a detailed discussion here. Hence, for the context of this thesis, I assume that shared knowledge about the set of basic norms the obedience of which enables the functioning of the cultural practice in question without major friction is sufficient for an audience to be diachronically integrated. In my opinion, this assumption about the necessary shared background of an audience is supported by Thonhauser & Wetzels (2019, 231) who state that "[m]ost importantly, this background consist of *shared cultural knowledge*".

It is a constitutive feature of an audience that its members "are in a situation of *joint attention* towards an *event"* (Thonhauser and Wetzels 2019, 234). Since I have argued that the knowledge of a set of basic norms enables this event (towards which the joint attention is directed) to take place without major friction, I assert that it is also a constitutive feature of an audience that its members know these norms and hence, are diachronically integrated. If an audience prohibits the performance of the event by not knowing the basic norms, there would not be an audience anymore because there is no event towards which their joint attention could be directed. Hence, audiences per definition satisfy the requirement of diachronic integration.

Furthermore, I suppose that the necessary degree of *synchronic* integration ("the concrete interaction which enables coordination of the specific audience performances" (Thonhauser and Wetzels 2019, 233)) is provided by the specific *affective arrangement* that is in place in such large audience events. "By 'affective arrangement' we mean a material-discursive formation as part of which affect is patterned, channeled, and modulated in recurrent and repeatable ways. Key to such arrangements is that they bring multiple actors into a dynamic, orchestrated conjunction, so that these actors' mutual affecting and being affected is the central dimension of the arrangement from the start." (Slaby, Mühlhoff, and Wüschner 2019, 5) Since such arrangements are "nearly ubiquitous in social life" (Slaby, Mühlhoff, and Wüschner 2019, 5), I claim that every audience is an affective arrangement.

According to Slaby, Mühlhoff and Wüschner (2019, 5), an affective arrangement is a combination of *affective relationality* and a *socio-material setting*. Part of the definition of an audience that I provided in section 1.2.1 is that audience members interact with each other and with the performance. This interaction is typically of an affective manner and thus, affective relationality is present in audiences. In addition to this, audiences are characterized by specific forms of spatiality and temporality. These are aspects of the socio-material setting in which audiences are embedded, i.e. the architecture, the time-setting, the social environment, etc., and influence the audience members' affectivity. The architecture of a theatre typically separates the audience from the performers, guides the focus of the audience and thereby shapes their emotions. A theatre director could manipulate this classical affective arrangement deliberately, e.g. by positioning the audience's chairs in a circle around the stage instead of in straight rows.

My reasoning is as follows: Audience events are socio-material settings that include affective relationality and fit the definition of the term "affective arrangement". Thus, audiences are affective arrangements. An affective arrangement is by definition synchronically integrated because the actors' mutual affection, i.e. their interaction, is the central dimension of an affective arrangement. From this we can infer that if audiences generally can be characterized as affective arrangements, they also display a sufficient degree of synchronic integration to allow for episodes of emotional sharing. (Slaby, Mühlhoff, and Wüschner 2019, 5)

After having argued that the two basic requirements for emotional sharing are typically present in audiences, I will turn towards the four features of emotional sharing. The first feature is the collective evaluative perspective which I identify with Salmela's (2012) notion of a shared concern where the term *concern* denotes "desires and aversions as well as attachments, interests, and cares that ground our emotional appraisals and responses" (Salmela 2012, 39). This is an essential part of the collective emotional experience because it is the perceived change in the status of this concern that evokes emotional responses. Is there such a shared concern in every type of large audience activity?

While it seems to be clear what the shared concern is in a football match or another sporting event (namely, the concern for the sporting success of the team one is supporting), it is less clear with respect to concerts, theatre plays, circus performances or other cultural events. This points to an interesting distinction between different forms of shared concerns that Salmela (2012) has formulated.

He suggests that in a concert, the audience members share a concern about the success of the performance. (Salmela 2012, 38) I suppose that this concern about a successful performance of the event in question is also present in theatre plays, circus performances, cinema screenings, etc. Of course, there may be other concerns, for instance about the fate of the main character or about specific characteristics of the performance. However, I think that all audiences are united by the fact that their members have a shared concern about the success of the performance.[3]

This is supported by the fact that as an attentive member of an audience you will feel some kind of fear or at least an uneasiness if the success of the performance is endangered – if, e.g., a protest group is interrupting it or if some members of the audience start to make noise so that the others can only hear the actors' voices indistinctly. Although the concerning emotions may be rather weak, they are still there. "[N]ot caring very much differs from not caring at all" (Schmid 2017, 158).

According to Salmela (2012, 38–43), in the cases outlined above, the individual audience members have *overlapping private concerns* (about the success of the performance) which is the weakest form of shared concerns. If people have concerns out of private reasons (e.g. because they want to enjoy the performance) that converge to each other, we are confronted with this weakest form of collectivity.

"Concerns can be collective in a stronger sense when individuals are committed to some concern [in part because of] believing that the others in the group have the same concern, and also believing this is mutually believed in the group" (Salmela 2012, 40). An example is the shared concern of sports fans about the success of a sporting team where one is believing that other fans have the same concern. This is a shared concern in a *moderate* form of collectivity. The difference to the overlapping private concern is that "[t]he commitment to the concern is still private, but the concern is social, the benefit of the group, unlike in the first case where the concern is personal" (Salmela 2012, 40). When I am watching a theatre performance, I am typically concerned with my own amusement instead of that of the whole audience. I suppose that the competitive nature of sports lifts the regarding shared concerns onto this moderate level

[3] One may object that this would imply that not everyone who is sitting in the audience hall is part of the audience. If I assume that all audience members share a concern about the success of the performance, I am committed to saying that, for instance, in a circus, a person who wishes that the performance of the acrobats fail and that they get hurt is not part of the audience. I am willing to bite that bullet because this person has such an overtly contradicting concern to the great majority of all other people in the audience. Due to this, he would not be able to experience a collective emotion together with the others in any way.

in comparison to other audience events where usually weakly shared concerns are present. The agonal setting of a sporting event provides a framework that fosters the identification with a group and thus, strengthens the collectivity of the shared concern. (Salmela 2012, 38–43)

Shared concerns of the strongest form of collectivity are based on collective commitments. Through this commitment, "the group members adopt the concern as *theirs* and socially commit themselves to each other as well as to the group to uphold the concern" (Salmela 2012, 40). For instance, individual players of a sporting team who win or lose together have such a shared concern. However, this third type is not of further relevance for my analysis of collective emotions in audiences. (Salmela 2012, 38–43)

If this categorization is correct, the two examples that guide my analysis of collective emotions and relational goods can be characterized as episodes of emotional sharing based on overlapping private concerns (in the case of theatre performances) and of emotional sharing based on moderately collective concerns (in the case of football matches).

The second feature of emotional sharing, namely collective appraisal, will not require much explanation because it seems to be rather straightforward that, based on these shared concerns that I have analyzed in detail, audience members of any type can "come to appraise the eliciting object or event in the same (or a sufficiently similar) way" (Thonhauser 2022, 36). If one accepts that audiences of different types (can) have a shared concern, it would be quite counterintuitive to deny that collective appraisal can arise. Thus, I take those two features to be closely connected and assume that what I said in favor of a collective evaluative perspective in audiences (i.e. a shared concern) also counts in favor of collective appraisal.

The presence of a shared concern in audience activities also paves the way towards the third feature of emotional sharing – a sense of togetherness. As already explained, "[f]or an affective state to be collective, people have to share a concern. Sharing a concern leads them to *identify* with each other, or with the group, by conceiving of themselves, as part of the feeling, in terms of a collective identity. Feelings can be ascribed to groups by virtue of their member's experiencing their feelings as members of the group." (Schmid 2009, 68) Salmela (in press) also mentions shared concerns as one of two main sources of a sense of togetherness. Note that he distinguishes "between *sense* of togetherness – hedonically neutral experience of togetherness – and *feelings* of togetherness – hedonically positive experiences of interpersonal liking, closeness, and rapport – as related but distinct experiences of togetherness" (Salmela in press).

It could be interesting to examine which audience activities display which of the two types of togetherness, but this would exceed the scope of this thesis. Instead, I assume that the shared concern about the success of the performance (which is typically present in every kind of audience) is the source of a hedonically neutral sense of togetherness. Roughly, this means that if one is part of an audience, there is a sense that *we* are the audience for which the regarding event is performed. *They* sing, act, play, dance and perform for *us*.[4] This sense of togetherness is present in every audience and enables the experience of an episode of emotional sharing.

The last feature of emotional sharing – self and other awareness – wants to ensure that the individual members of the collective do not fuse into a super-individual. Although they have a sense of togetherness, they have "an awareness of oneself and of others as co-subjects of the collective experience" (Thonhauser 2022, 36). It would be very far-fetched to argue that complete strangers who are part of the same audience automatically conceive of themselves as a super-individual and forget that they are co-subjects of this experience and that, hence, emotional sharing is typically not possible in audiences. Therefore, I take it for granted that this fourth feature can also be present in audience activities.

In this section, I have shown that emotional sharing is possible in audience activities of several types. Indeed, I suppose that my elaborations insinuate that it is very often the case that audiences experience an episode of emotional sharing. As will become clear in chapter 2, this finding, in part, justifies the usage of audience activities, such as football matches and theatre performances, as examples that link the concepts of collective emotions and relational goods.

1.3.4 Additional Remarks regarding Emotional Sharing

I want to conclude this section on emotional sharing with some additional remarks and clarifications. First of all, it is important to notice that these four features that I have discussed in detail have to be distinguished from the different components of an emotion. The features are characteristics or attributes of the audience's emotion, whereas the emotion itself consists of different components (evaluative, phenomenological, etc.). According to Thonhauser (2022, 32–35), it is possible that these components can be socially extended and distributed among

[4] Depending on the preferred theory of the role of an audience in performing arts, this separation between the performers as *they* and the audience as *us* might seem to be too strict. However, if one wants to conceive of the audience as a more productive part of the performance, one could interpret the sense of togetherness as meaning that *we* (artists & audience) perform this piece of art together.

several individuals if these individuals are part of a dynamic self-organizing system. The features of emotional sharing are not socially extended. They are a way of describing and categorizing specific instances of collective emotions.

Moreover, I take Thonhauser's claim regarding social extension for granted and I will not delve into the discussion of how exactly these components can be socially extended. Inconspicuously, in explaining the concepts of shared concern and plural pre-reflective self-awareness, I have already given tentative ideas of how social extension and distribution could work in these settings. Shared concern and plural self-awareness could be considered as ways of socially extending the evaluative and the phenomenological component of an emotion. Social extension of the physiological component is something which I deem to be an issue rather for biology or cognitive science than for philosophy. Finally, the behavioral component, which is often cashed out as a disposition to act, can probably be distributed among individuals in the form of a collective/shared intention.

Concerning the behavioral component, I think it is necessary to make another remark. In the literature on collective emotions, it is quite usual to think of the behavioral component as a disposition to act. Many authors emphasize the link between emotions and actions. Schmid (2017, 159) argues that collective emotions "dispose us to act *together* on our joint evaluations" and according to Salmela (2012, 42), an action tendency is one of the constituents of emotion. Additionally, during an episode of emotional sharing, individuals "share the motivation to engage in coordinated actions" (Thonhauser and Wetzels 2019, 232). Given the context of theatre and football audiences, I suppose it is advisable to slightly adapt this conception of the behavioral component.

The reason for this is that in these settings, emotions very often dispose us to abstain from a certain action or to comply to some pre-defined norms. The collective emotion of tension during an exciting theatre play focuses our attention on the happenings on the stage and is accompanied by the knowledge that starting to sing a song will disturb the performance and impede the achievement of our aim of watching the performance together. Hence, this collective emotion disposes us *not to* sing a song. I assume that especially in theatre audiences, most of the dispositions are more naturally formulated in a negative way (not to chat with your neighbor, not to jump around, not to eat popcorn etc.). Furthermore, the most obvious imperatives with which (positively connoted) collective emotions in audience-settings confront us are the following: Don't go home! Stay attentive! Keep being part of the audience!

Since I do not want to engage in a discussion about whether these not-doings or keep-doings are actions in a robust sense, I would like to weaken the strong link between emotions and actions as it is established by many accounts and speak of dispositions to *behave* in a certain way. Therefore, I propose to think of the behavioral component of collective emotions as follows:

> Emotions that are shared in the collective sense are our (collective) knowledge of what matters in a situation that focuses our joint attention on what's significant in the light of our collective aims and shared values, and they dispose us to [*behave,* S.A.] on our joint evaluations. (Schmid 2017, 159)

2 Relational Goods

In the previous section, I have presented emotional sharing as one type of collective emotion that I consider to be prevalent in audience settings, such as in a football stadium or in a theatre. An episode of emotional sharing typically displays four features on which I have elaborated in detail: a collective evaluative perspective, collective appraisal, a sense of togetherness, and self and other awareness. This emotional experience is called a *collective* emotion because the components of the emotion are socially extended and distributed among the individual members of the collective. This requires that the members are sufficiently integrated in a synchronic and diachronic way.

In a next step, I am going to introduce the concept of relational goods and link it with the topic of collective emotions. Following Robert Sugden (2005), I argue that "fellow-feeling" and "correspondence of sentiments" are among the production technologies of relational goods and that hence, there is a close link to collective emotions. Once more, football and theatre audiences are the examples by means of which I clarify the argument. Finally, I will conclude that episodes of emotional sharing are (direct-contact) relational goods.

2.1 Structuring the Landscape of Relational Goods

The notion of relational goods has been developed by scholars such as Benedetto Gui (2000; 2005) and Carole Uhlaner (1989) because conventional economic theory has not given much attention to interpersonal relationships and how they affect our economic behavior. Despite the fact that there is a bunch of research showing that the frequency, quality and intensity of our interpersonal relationships and social interactions influences our well-being significantly (see e.g. Becchetti, Pelloni & Rossetti (2008), Rasciute, Downward & Greene (2017) and Bruni & Stanca (2008)), economics has focused primarily on our "'man-thing' activities as opposed to 'man-man' activities" (Hirschleifer 1978, as quoted in Gui 2005, 23).

Although economics is concerned with individual as well as societal welfare and with agents that maximize their utility, the discipline has mainly disregarded the importance of interpersonal relationships for a good human life. Philosophically trained readers might immediately think of Aristotle when they see the term "good human life". Indeed, Martha Nussbaum (2001, 343–45) argues that according to Aristotle, social and political relations are indispensable parts of the good human life.

In other scientific disciplines, such as in psychology, "interpersonal relationships have long been recognized, […], as a key determinant of well-being" (Bruni and Stanca 2008, 507). Moreover, it has sometimes been suggested to define *"relatedness"* as a basic human need. (Bruni and Stanca 2008, 507)

One aim behind the work on relational goods is to approach our social life from an economic point of view and to incorporate it into economic theory. In order to give a first idea of which aspects of our social life are usually encompassed by the notion of relational goods, I will shortly list the examples that Uhlaner (1989, 255) provides us with. Relational goods include social approval, solidarity, friendship and its benefits, social recognition and acceptance, social identity, and other aspects of sociability.[5] This is not an exhaustive list but gives a good overview about the notion of relational goods before I will turn to a detailed definition in the following parts.

I continue this chapter by presenting Benedetto Gui's influential account of relational goods and combine it with Carole Uhlaner's distinction between direct-contact and indirect-contact relational goods. After that, I will respond to some potential objections to these ideas.

2.1.1 Benedetto Gui on Relational Goods

Benedetto Gui has done a considerable amount of research on the topic of relational goods, and it is his definition that I will use as a baseline for my analysis. He conceptualizes relational goods as intangible entities that grasp the communicative/affective side of human interaction. These entities are generated or produced within the regarding interaction. (Gui 2000; 2005)

The motivation behind this definition is to broaden the view of economics and to develop analytical tools that can grasp the interpersonal dimension of economic reality. Roughly, we can conceive of an interpersonal relationship as a form of "human interaction in which the identity of the participants as particular human beings has affective and cognitive significance" (Gui and Sugden 2005, 2). Obviously, the identity of the people with which you interact does matter

[5] Note that I have slightly adapted some of Uhlaner's formulations. She is speaking of „the desire to be recognized or accepted by others" and "the desire to maintain an identity" (Uhlaner 1989, 255) as relational goods. I suppose that this is an imprecision because the mere desire to be recognized or to maintain an identity cannot be considered as a good. The (relational) good is social recognition and a social identity but not the longing for it. Similar to material goods, where not the desire to have a comfortable working place is the good, but the ergonomically designed office chair.

in family or friendship contexts where already established relations based on love and sympathy are present. However, the identity of other human beings can also have cognitive and affective significance in less intimate interactions:

> Compare a personalised interaction with an unmanned procedure […] that secures an agent the same objective outputs, with exactly the same objective characteristics […]. Examples are: being served by an automatic coffee machine, rather than by a barman with whom one can comment about recent sports events; being instructed by a software package, rather than by a colleague worker; or being nursed in a hospital bed by a smart robot, rather than by a human. […] We can imagine then that the agent will sometimes prefer the manned procedure and sometimes the unmanned […]. What interests us here, however, is that usually agents are not indifferent between the two procedures, and sometimes value one of them much more than the other. The entities responsible for that divergence are relational […] goods. (Gui 2005, 39–40)

As the examples above indicate, there are "intangible phenomena of a communicative or affective nature that are usually considered noneconomic" (Gui 2000, 140) which influence our economic choices. Whether we book a journey online or in a travel agency including a face-to-face interaction with a personal travel advisor is in part decided by what we call relational goods. This is not to say that we always value personal interaction, but that we are not indifferent between those options.

Despite their influence on economic reality, economic theory commonly does not take personalized interactions into account. According to Gui (2000, 144; 2005, 26), the reason for this is that the assumptions of general equilibrium theory, which is a core element of neoclassical economics, render it unnecessary to include interpersonal elements into economic analysis. If we would be confronted with a complete set of perfect markets (no transaction costs, full information, homogeneous goods etc.), we would be justified to neglect direct human interaction because "if goods are homogeneous and contracts are fulfilled with certainty at no cost then each transaction is independent of the others (past, present or future) and buyers are indifferent between sellers offering the same price" (Gui 2005, 26). This is usually not the case in real life and thus, we need to find a way to incorporate the interpersonal dimension of economic reality.

After having dismissed some potential strategies to fulfill this goal (e.g. conceiving of these interpersonal effects as externalities or analyzing them via an extension of the exchange paradigm), Gui argues that the most convenient way is to introduce a new set of intangible entities, called relational goods. These goods are "generated by a 'productive' process called an 'encounter'" (Gui 2005, 31).

2.1.2 Producing Relational Goods within an Encounter

Relational goods are intangible entities that account for the communicative and affective side of (economic) interaction and they are produced in an "encounter". This notion is crucial for Gui's definition and thus, I dedicate a subsection to it. However, I argue that the examples of football and theatre audiences show that Gui's focus on encounters as production sites of relational goods is too restrictive. Detaching the definition of relational goods from the concept of an encounter seems to be appropriate.

The notion of an encounter replaces what is commonly called a trade or a transaction and additionally considers the social context within which the transaction takes place. This notion shall open the analytical perspective for more aspects of human interaction than those that are captured by the typical economic variables such as the characteristics of the exchanged goods. Of course, also within an encounter, e.g. property rights are transferred, or a service is provided. However, encounters are not mere transactions of economic values but "peculiar productive processes that give birth to 'relational goods'" (Gui 2000, 142). (Gui 2005, 25, 31–32)

Although I will explain the productive process in more detail in section 2.2, a few points have to be mentioned right now. Since the concept of relational goods aims at grasping the communicative and affective side of interpersonal relationships, emotions and sentiments obviously play a crucial role in this productive process. One major reason why we value interpersonal relationships are their genuine affective qualities. The genuineness and sincerity of the other interactant's participation, feelings and engagement regarding the interaction is important for the value of relational goods. The sympathy and respect with which a waiter communicates with me is of less value if I sense that he only pretends to be respectful and friendly. (Gui and Sugden 2005, 11; Bruni and Stanca 2008, 509)

This feature of genuineness implies that it does matter who is producing the relational goods together, because interpersonal relationships and the attached affective qualities are highly individual and differ between different encounters. Therefore, the identity of the interactants matters, it possesses affective and cognitive significance. Relatedly, Uhlaner (1989, 255) states that "[g]oods which arise in exchanges where anyone could anonymously supply one or both sides of the bargain are not relational". Coming back to the waiter-example, this means that the relational goods that are produced in my encounter with waiter X are not the same if I interact with waiter Y. (Gui and Sugden 2005, 2; Bruni and Stanca 2008, 509)

Due to Gui's approach to develop the concept of relational goods based on the idea of an encounter, his account is focused on paradigmatically economic settings. Relational goods are generated during an encounter and an encounter is described as an interaction between human beings that yields certain outputs such as the transfer of property rights, the provision of a service or the performance of a task within an organization. Thus, examples are the sale of a house, a hairdresser's service or a working team successfully developing a new marketing plan.[6] This shows that Gui is primarily talking about relational goods in economic relations and transactions. (Gui 2005, 32)

I suppose that the examples of football and theatre audiences show that Gui's focus on encounters limits the scope of relational goods unnecessarily. Within these settings, people experience various aspects of sociality, such as social approval, social recognition, a sense of belonging, social identity etc., and thus, seem to produce and consume relational goods. However, the notion of an encounter would exclude football and theatre audiences from being "production sites" of relational goods because they do not fit the definition of an encounter (i.e. an economic transaction including its social context). Although visitors buy a ticket and thus, property rights are transferred, the relevant production of relational goods (if there is one) is not taking place at the ticket counter but during the event when the individual audience members interact with each other without performing an economic transaction. Thus, I will argue, in the remainder of this subsection, that it is legitimate to extend the scope of relational goods beyond the notion of an encounter.

Based on Gui's work, other authors have developed definitions of relational goods that detach the concept from "classical" economic settings (such as a market transaction). Sugden (2005, 53) supposes that "[t]he affective and communicative components of interpersonal relations are relational goods". A similar definition is proposed by Becchetti, Pelloni & Rossetti (2008, 343) in saying that "[b]y relational goods we indicate the affective/expressive, non instrumental, side of interpersonal relationships". These definitions forgo a further specification of the contexts in which these interpersonal relations should be embedded. They do not apply the economically

[6] Note that this new marketing plan is not a relational good itself. This term solely refers to the communicative/affective component of personal interactions in the working team not to the information that is produced within an interactive process. (Gui 2000, 153–54)

focused concept of an encounter and thereby broaden the view in order to include leisure activities such as live sports events and theatre performances as well.

It is not entirely uncontroversial to apply a definition of relational goods that includes these activities because Gui (2005, 29) calls "the additional satisfaction that spectators derive in the presence of a large and enthusiastic audience" an example for an externality. As opposed to relational goods, an externality is not the outcome of a productive process but an unintentional by-product of actions that have other purposes. However, he does not specify whether by "additional satisfaction" he refers to the benefits and well-being that is generated in the interaction between the members of the audience, i.e. the relational goods, or only to the enhancement of the spectators' individual viewing experience. To my mind, the second case where the individual viewing experience is improved by the atmosphere in the venue does not exclude that in addition to this enhanced viewing experience, relational goods could be produced in human interactions as well. I can enjoy the atmosphere in the stadium and simultaneously cultivate my friendship with a person who also attends the event. Unfortunately, Gui is not very precise in this regard.

I suppose that the detailed analysis of the "production technology" of relational goods in section 2.2 will provide good reasons to think of sports events and theatre performances as settings that produce relational goods (and to read Gui's line discussed above in the second way). Right now, it suffices to say that there are a lot of other authors who quite naturally link relational goods and large audience activities. Uhlaner (1989, 255) mentions a baseball game as an example for a setting where relational goods are produced and Becchetti, Pelloni & Rossetti (2008, 345) state that relational goods "are, on a smaller scale, produced by family relationships or friendships and, on a larger scale, in many kinds of social events (club or association meetings, live sport events, etc.)". Note that neither family relationships and friendships nor these kinds of social events would be classified as an encounter in Gui's sense.

Indeed, there exists an econometric analysis that takes social gatherings such as sports and cultural events to be production sites for relational goods and examines the effect of these activities on our well-being. Although the specific effect measured in this econometric analysis varies across age and gender groups, the results indicate that both attending sports events and theatre performances are relational goods that contribute to our well-being. (Rasciute, Downward, and Greene 2017)

Moreover, Gui (2000, 152) himself writes that the atmosphere in the waiting room of a hair-dresser's shop is a relational good. I suppose that this would not be consistent with saying that the atmosphere in a football stadium or in a theatre is only an "externality" and not a relational good. It is probably more often the case that people visit a football stadium or a theatre because of the stirring atmosphere than that they visit a hair-dresser's shop because they like the atmosphere in the waiting room. It seems to be the other way round. If something is only an externality, it is the atmosphere at the hairdresser's because it is a by-product of the process of getting your hair cut. Regarding the other examples, being part of an audience and enjoying the atmosphere during the event seems to be one of the main motivations and purposes to partake in this activity instead of being only an incidental by-product.

Therefore, I assume that we are justified in extending the scope of relational goods beyond the concept of an encounter. As I have already mentioned, this claim will be strengthened in section 2.2 about the production technology of relational goods. I suggest that the concept of an encounter is only a helpful analytical tool but not a necessary feature/condition of relational goods. Relational goods can also be produced within interpersonal relationships that cannot be characterized by Gui's notion of an encounter.

2.1.3 Relational Consumption and Relational Capital Goods

To sum up what has been said so far, relational goods are conceptualized as intangible entities that are produced during a human interaction and account for the communicative and affective side of interpersonal relationships. Although these goods contribute to our well-being, they are largely unaccounted for in classical economic models. Benedetto Gui's (2000; 2005) influential definition of relational goods is based on the concept of an encounter which primarily refers to economic interaction. I have argued that it is plausible to extend the scope of relational goods beyond the concept of an encounter and to consider the production of relational goods in non-economic contexts, such as large audience activities as well.

Gui distinguishes between two types of relational goods: relational consumption goods and relational capital goods. I will present and discuss this distinction in this section.

What I have described in the previous section mainly refers to the notion of relational consumption goods which will be the focus of my analysis. This class of goods is conceptualized as follows:

> "[O]ne of the outcomes of social interaction does not reside in what this can be instrumental to […] but in what is enjoyed (or suffered, if the communicative/affective side of the interaction is unpleasant) during the interaction itself – a peculiar form of 'consumption'. I refer to this – otherwise unaccounted-for – class of outputs of encounters as 'relational consumption goods'." (Gui 2005, 37)

These goods are co-produced and consumed within the same interaction process, or in Gui's terms, within the same encounter. The interactants are producers and consumers at the same time – they are 'prosumers'. If you go for a walk with your best friend and have an entertaining and interesting conversation, you simultaneously produce and consume the relational good "affiliation with other people" or, simply, "friendship". You cannot store this immediate pleasure and consume it next year. (Gui 2000, 155; 2005, 37–38)

The second type of relational goods is referred to with different names – relational capital goods, relational assets, or relation-specific capital. These goods facilitate future interaction between the same interactants and reduce transaction costs. Relational capital goods consist mainly out of information that is relevant for the relationship and affects "the ability to derive outputs of various types from future encounters with the same interactant" (Gui 2005, 35) and out of "the 'state of feelings' of one party towards the other" (Gui 2005, 35). A well-functioning working team has a lot of relational assets because they know what is common knowledge among each other, know what the strengths and weaknesses of each other are and probably feel mutual sympathy. These relational capital goods are not co-produced and consumed within one interaction, but they are the influences of previous interactions on future ones. (Gui 2000, 155–57; 2005, 35–37)

However, I think that this dichotomy misses some aspects of relational goods. I assert that relational consumption goods enhance our well-being also in settings where we are not in direct social interactions. However, this is not grasped by the notion of relational capital goods that are just a reduction of transaction costs.

I suppose that the positive effects derived from a sense of belonging produced by the affiliation with a football club is not restricted to a visit in a football stadium. This sense of belonging also contributes to the well-being of the football fan in other situations and the happiness about her team winning on Sunday may last until Tuesday when the specific interaction with other fans has already terminated for a long time. These components are not considered in Gui's definition because they are neither a relational consumption good that is "enjoyed […] during the interaction itself" (Gui 2005, 37) nor a piece of information or state of feeling towards other interactants that facilitates future interactions. Thus, I think there is indeed a lacuna in his landscape of the communicative and affective nature of interpersonal relations. For this reason, I will combine Gui's definition with Uhlaner's (1989) distinction between direct-contact and indirect-contact relational consumption goods in the next section.

2.1.4 Direct-Contact and Indirect-Contact Relational Goods

Since relational capital goods do not play an important role in my analysis, I will from now on refer to relational *consumption* goods simply as relational goods. Among this class of relational goods, a distinction between direct-contact and indirect-contact relational goods, such as Uhlaner (1989) suggested, seems to be illuminating. Note that this distinction is structured as a continuum, not as a clear-cut dichotomy.

Before we can take a closer look at this distinction, a brief excursus in social identification theory as it is presented in Tajfel & Turner (1986) is necessary. Uhlaner (1989) repeatedly uses the term "reference group" in her explanation of relational goods which indicates that her account is influenced by their work. They try to explain intergroup behavior, in-group bias, social categorization, social identity and similar social phenomena.

Tajfel & Turner (1986, 15) conceptualize a group "as a collection of individuals who perceive themselves to be members of the same social category, share some emotional involvement in this common definition of themselves, and achieve some degree of social consensus about the evaluation of their group and of their membership in it". In the context of this thesis, it is interesting to notice that already this basic definition of a social group comprises some connections to the topic of collective emotions: The required "emotional involvement" and "social consensus about the evaluation of their group" could be interpreted as a shared concern and a collective appraisal which are both integral parts of a collective emotion.

Based on one's membership in one or several social groups the social environment can be segmented via social categorizations. These categorizations "also provide a system of orientation for *self-reference:* they create and define the individual's place in society" (Tajfel and Turner 1986, 16). This system is based on comparison with other groups or other individuals and it results in a *social identity* which consists "of those aspects of an individual's self-image that derive from the social categories to which he perceives himself as belonging" (Tajfel and Turner 1986, 16). In other words, individuals identify with certain social groups and compare themselves with other individuals and groups. This process results in a self-image, called social identity, that can be positive or negative dependent on the evaluations that arise from the comparisons. If I identify with a social group that I evaluate as better than a second social group, this contributes positively to my social identity. (Tajfel and Turner 1986, 15–16)

What is important for the question of relational goods is the assumption that „[i]ndividuals strive to achieve or enhance their self-esteem“ (Tajfel and Turner 1986, 16) by striving for a positive social identity, i.e. a positive self-concept. Due to this, they value behavior that signals social acceptance or social approval from members of a social group that contributes to their positive self-concept. These concepts describe communicative and affective aspects of interpersonal relationships that are valued by human beings. Thus, we can think of social acceptance, social approval and a positive social identity as relational goods.

After this brief excursus in social identification theory, we can now look at Uhlaner's (1989) distinction. On the one side of the continuum, there are direct-contact relational goods. As the name indicates, these relational goods arise in direct interaction[7] with other people when direct mutual observation is possible and probable. In the elaboration of this idea, Uhlaner (1989, 256) refers to the concept of a reference group to which the interactants belong. She states that some part of the pleasure these relational goods create is derived from behaving like other members of the reference group. Due to the direct-contact setting, one is receiving immediate feedback concerning whether the action is appreciated by the reference group or not. Her example is that of voting in an election because one's spouse expects it. (Uhlaner 1989, 256)

This is a very restrictive conception of (direct-contact) relational goods because it seems to limit relational goods to the above mentioned aspects such as social approval or social acceptance. Of course, acting in accordance with one's reference group and deriving social pleasure from that is an important relational good. Nevertheless, I assume that it is possible to worship certain aspects of sociality without having a shared reference group with the other interactants and without being involved in a sort of social comparison. Not every aspect of the communicative and affective nature of interpersonal relationships can be reduced to being recognized or

[7] In the literature, direct interaction is usually characterized as face-to-face interaction. If interaction via digital modes of communications such as video chats can also count as "direct" interaction is a question that I will not deal with in this thesis. However, especially in the light of the Corona-pandemic, it seems to be a promising field of research to ask whether relational goods can also be co-produced in digital interaction.

accepted by a reference group. And not all relational goods require this rather competitive setting of intergroup conflicts and social comparisons that Tajfel & Turner (1986) analyze.

Take some of the examples that were mentioned in the previous sections: the interaction with other people in the waiting room of the hairdresser's shop or the conversation with the waiter. I suppose that they can be characterized as direct-contact relational goods although there may be no joint reference group among the randomly mixed customers of a hairdresser's shop or a waiter and his guests. Perhaps, one can construct a very large reference group, such as all inhabitants of a city or a country, in order to analyze these examples through the reference-group-lens. However, I consider that to be rather meaningless because such a large group would imply very loose ties and relationships among the individuals making it unrealistic that significant effects on one's well-being occur. I doubt that being accepted by a stranger with whom one only shares the reference group "citizen of the same country" will result in something which deserves the designation "relational good".

Rather, I would suggest widening the scope of direct-contact relational goods and consider them to be the communicative and affective aspects of interpersonal relationships that are enjoyed during a direct face-to-face interaction. This implies that I roughly equate direct-contact relational goods with Gui's (2000; 2005) notion of "relational consumption goods". We can think of these goods as the benefits that people get from doing something together, enjoying each other's company, having the opportunity to share some thoughts or concerns, receiving direct social approval from a group with which one identifies or simply from laughing together. In my opinion, a joint reference group can indeed play a decisive role in the co-production of relational goods in a direct interaction, but it is no prerequisite for it.

Despite this, we can infer from Uhlaner's (1989) ideas the tentative conclusion that, ceteris paribus, the closer the relationship to a person is, the higher the pleasure of a direct-contact relational good co-produced with this person. The reason for this is that a close relationship usually indicates that this person is part of one's primary reference group and that hence, we value relational benefits arising out of an interaction with her more than with other people.

On the other end of the continuum, we are confronted with relational benefits that a person derives "from a group even in the absence of face-to-face contact" (Uhlaner 1989, 256). Reference groups and the presented ideas of social identification theory play an even more important role here. "For such benefits to be available, a person must think of him or herself as part of a group (as in social identification theory […])" (Uhlaner 1989, 256). In contrast to the case of direct-contact relational goods, I agree with Uhlaner on that point. Indirect-contact relational goods arise out of interactions that take place through media or imagination. Identifying oneself with a group is a prerequisite for these mechanisms to work.

Note that contrary to group membership, group identification requires only one's own action without anyone else's cooperation. From a social-psychological perspective, group *membership* essentially requires that "the individuals concerned define themselves and are defined by others as members of a group" (Tajfel and Turner 1986, 15). However, I can *identify* myself with any group that I want. If the members in fact accept and include me is a different question. Since only identification is required and it is accompanied by less restrictive criteria than membership, we can assume that there are various occasions where indirect-contact relational goods can arise. (Uhlaner 1989, 256–58)

As an example for indirect-contact relational goods, take Max who meets a group of friends at a bar and has a good time together with them. During the interaction, they are producing and enjoying direct-contact relational goods because they cultivate their friendship and act in accordance with other members of their reference group. However, this is not the whole story because if Max thinks about their small gathering on the next day, i.e. interacts with his friends in his imagination, he may derive further benefits that enhance his well-being. He feels socially accepted and recognized because he knows that his friends like him and that he belongs to their social group. Perhaps, he is also experiencing a feeling of security because he knows that there are some people on which he can rely in hard times.

Another instance of indirect-contact relational goods could be a football fan watching his favorite team's match alone on TV. In this case, he interacts with the fan groups in the stadium and the players of his favorite club via media. Regardless of whether any organized fan group or the club itself would accept him as a member, he can identify with the football club on his own and derive relational goods from that, e.g. experiencing joy if they win, feeling a sense of belonging or being emotionally touched by the impressive fan chants during the match.

Further support for the idea of indirect-contact relational goods can be found in the work of Lawler, Thye & Yoon (2014) on relational cohesion theory. This theory tries to explain how relational ties (cohesion and commitment) are generated through emotions and social exchange. The authors state that "expressive ties to relational or group units may develop even if the members of the social unit (or subsets of them) do not interact face-to-face" (Lawler, Thye, and

Yoon 2014, 196). This strengthens my assumption that the production of relational benefits is not limited to direct interactions that involve physical co-presence.

I think that interacting via imagination or via media (TV, internet, print media, etc.) with a group with which one identifies are the main two mechanisms that produce indirect-contact relational goods. Possibly, this account is incomplete and there are forms of these goods that work without a reference group or via other interaction mechanisms. If there are such goods, they are not the focus of this thesis. I conceive of indirect-contact relational goods as relational benefits that are derived from an indirect interaction via imagination or media with a group with which one identifies.

These positive effects on an individual's well-being both extend *beyond* concrete face-to-face interactions and are not included in Gui's (2000; 2005) concept of relational capital goods. One could object that Gui's (2005, 37) formulation of "what is enjoyed […] during the interaction itself" may encompass *indirect* interaction as well. Since he links the production of relational goods to the notion of an encounter which seems to have a very direct interactional character, I doubt that this is the case. Therefore, I think a complete analysis of the communicative and affective nature of our interpersonal relationships requires the distinction that I have elucidated in this section. Depending on whether the benefits arise, on the one hand, out of face-to-face interaction or, on the other hand, out of imagined or mediated interaction, we speak of direct-contact or indirect-contact relational goods. I have argued that identification with a reference group is a necessary condition for these goods to be produced only in the second case. In the remainder of this thesis, I will use the respective terms as defined in this section.

2.1.5 Potential Objections

From section 2.1.1 to 2.1.4., I have presented Benedetto Gui's (2000; 2005) concept of relational goods and modified it in some aspects. Relational goods are intangible entities that account for the communicative and affective nature of interpersonal relationships. They can be produced in what Gui calls an "encounter", but they are not limited to interactions that can be characterized with this notion, as I have argued. While relational *capital* goods are basically a reduction in future transaction costs for interactions between certain individuals, relational *consumption* goods are benefits that are enjoyed during an interaction itself. The latter are the focus of this thesis. We can say that relational consumption goods are produced and consumed simultaneously. Based on the character of the interaction, I have introduced Uhlaner's (1989) distinction between direct-contact (face-to-face interaction) and indirect-contact (interaction via imagination or media) relational goods. In this section, I will respond to some potential objections that could arise with respect to my elaborations on relational goods.

First, I have said that it is an important feature of relational goods that the identity of the other interactants matters. It has affective and cognitive significance with whom I interact. This is obviously true with respect to interactions with friends or family. The relational goods produced during a joint visit at the beach with my beloved partner would be entirely different – if not gone at all – if one substitutes my partner with a random stranger. The identity of the interactants makes a difference. However, since I want to analyze relational goods in large audience settings, one can critically ask whether identity really matters in these settings as well? (Gui and Sugden 2005, 2)

I think we have to distinguish between a kind of *micro* and *macro* perspective for answering this question. From my personal point of view, if I attend the event together with my friend, of course, his identity matters. Relational goods that are produced on this *micro* level in a two-person-interaction would be influenced if he was exchanged for, say, my business partner.

However, one could also look at the relational goods that are produced on a larger scale within the audience as such, e.g., a social identity or a sense of belonging. With respect to this *macro* perspective, I admit that other audience members are to some extent interchangeable. It will usually not influence these large-scale relational goods produced during a theatre performance if the person sitting next to me is my business partner instead of my best friend. This only matters for me personally. However, if my business partner was disturbing the performance because he entered the stage and quarreled with the actors, he would make a difference for everyone. I suppose that the reason for this is that he has changed the identity of the audience from an attentively listening audience to an audience that interrupts the performance.

Even if one leaves aside such extreme examples of a person entering the stage during the performance, most scholars ascribe a productive role to theatre audiences. (Bennett 1997, 16) This suggests that a change in the identity of the audience influences the theatre performance and thus, the production of relational goods. It is not difficult to make a similar point for football audiences. Substituting a substantive amount of football fans in the famous stand “Block West” in the stadium of Rapid Vienna with fans from their local rival Austria Vienna would not only cause severe security concerns but would also make a difference for the production of relational goods.

Hence, what matters from a *macro* perspective is not the identity of each individual interactant but the identity of the audience. This touches on the field of social ontology and on the debate about group persistence (see e.g. Uzquiano (2004)). How many and which changes in membership can a group survive and remain the same group? It would exceed the scope of this thesis to try to answer this question. I assume that in audience settings – contrary to interactions that can be characterized by Gui's (2000; 2005) notion of an encounter – the identity of individual interactants does only matter for the production of relational goods on this large scale in as much as it influences the group's identity.

Second, one could criticize that I only considered the positive aspects of interpersonal relationships, although there are also negative influences on individuals' well-being. For instance, the misogynist atmosphere in a working team can discomfort some of the team members or the loss of one's favorite club negatively affects well-being. Gui (2005, 37) is aware of that and states that the outcomes of social interaction can also be unpleasant. I acknowledge that interpersonal relationships may yield not only relational *goods* but also relational *bads*. Having said that, I assume that this aspect can be left aside in my thesis because I am concerned with the motivating reasons why people attend audience activities and with the corresponding monetization of relational goods. And generally, individuals will very rarely be motivated to pay money for suffering unpleasant interpersonal experiences.

Third, another objection that could be invoked is the following one: What are the differences between relational goods and the well-established concept of social capital? Do we really need a distinction here?

First of all, there is such a big variety in definitions of social capital that it seems appropriate to define a separate concept called "relational goods" that precisely targets the social phenomena which I want to analyze. (Claridge 2004, 23–27) Moreover, if one follows the definition of social capital that Gui (2000, 158–59; 2005, 36) applies it is easy to see that relational goods are something different. He refers to social capital as the individual's social characteristics that support the extraction of private returns from interpersonal relationships. Thus, social capital is similar to relational *capital* goods which are resources that facilitate future interactions with a certain group of individuals, e.g. a working team. If one enlarges the group size to the size of a whole society, one arrives at the notion of social capital: "Indeed, social capital and what I call relational capital are made of roughly the same 'substance'." (Gui 2005, 36) What we have called relational *consumption* goods – social approval, a sense of belonging, friendship, company of others, etc. – is not captured by the concept of social capital and hence, we need the distinction in question.

In this section, I have responded to some potential objections regarding my statements about relational goods. Although I have dealt with this concept in a very detailed way, one decisive question is still open: How are relational goods produced? This will be the subject of the next section and it will provide the link to the topic of collective emotions.

2.2 The Production Technology of Relational Goods

The very definition of relational goods already gives a first hint that emotions figure prominently in the production of relational goods. For we have conceptualized relational goods as intangible entities that account for the communicative and *affective* side of interpersonal relationships, it should not be a surprise that emotions, i.e. *affective* mental states, are involved in the production process. Moreover, it seems to follow naturally that a collective emotion, meaning an emotion experienced by a self-organizing system that emerges "when individuals with suitable habitualized interaction patterns are sufficiently coupled in ongoing social interaction" (Thonhauser 2022, 31) is a fruitful ground for relational goods. "A general laughter during a comic movie, supporters' enthusiasm at the stadium when their team scores a goal and applauses at a theatre are examples of relational goods produced on this larger scale." (Becchetti, Pelloni, and Rossetti 2008, 345–46)

In this section, I will present Robert Sugden's (2002; 2005) account of how relational goods are produced. His work is based on Adam Smith's (2002) concepts of "fellow-feeling" and of "correspondence of sentiments" which both figure prominently in the production process. Based on the insights that we gain from the investigation of the production technology of relational goods, I will, at the end of chapter 2, argue that episodes of emotional sharing are direct-contact relational goods. Again, large audience activities such as football games and theatre performances are used as examples that illustrate this production process and thus, the connection between collective emotions and relational goods.

But what do we mean when we talk about the production process of goods? We want to know how something that we value is brought about. If we investigate the production process of relational goods, "[t]he aim is to understand some of the mechanisms by which interpersonal relations generate affective states that are valued or disvalued by participants" (Sugden 2005, 53).

2.2.1 Fellow-Feeling and Correspondence of Sentiments

Robert Sugden (2002; 2005) tries to achieve this aim by recurring on Adam Smith's concept of *fellow-feeling*. Smith is using this concept to explain "how people's sentiments impinge on one another" (Sugden 2002, 63). Fellow-feeling is distinct from sympathy and empathy in the rational choice theoretic meaning of these terms. In rational choice theory, sympathy is commonly understood as a kind of altruistic preference implying that another person's utility influences my own utility. I feel sympathy for you if I have a preference that your preferences are satisfied. Empathy, on the other hand, is invoked in the context of interpersonal comparisons of utility. It refers to a scenario where person x imagines being another person y and is taking on y's subjective preferences. These are person x's *empathetic preferences*. (Sugden 2002, 64–70)

Fellow-feeling is defined differently: "[F]ellow-feeling is to be understood as one person's lively consciousness of some affective state of another person, where that consciousness itself has similar affective qualities – pleasurable if the other person's state is pleasurable, painful if it is painful" (Sugden 2002, 71). One of the examples, that Smith provides, is to see another person being tortured. The lively consciousness of this person's pain elicits a painful feeling in the spectator, too. The decisive difference between fellow-feeling and the rational choice theoretic version of sympathy and empathy is that the latter refer to preferences – which are, besides beliefs, the only mental states that rational choice theory allows – while the former refers to *affective* states. The sympathy that Smith describes in the first part of *The Theory of Moral Sentiments* – he does not use the term "empathy" there – consists of "changing places in fancy with the sufferer" and to "come either to conceive or to be affected by what he feels" (Smith 2002, 12). The term *sympathy* may be used "to denote our fellow-feeling with any passion whatever" (Smith 2002, 13). He does not consider the satisfaction or imagination of any preferences. Instead, he is concerned with *feelings*. (Sugden 2002)

Similar to other psychological mechanisms, fellow-feeling works more smoothly under some circumstances than under others. We can roughly identify three factors that influence the effectiveness of fellow-feeling. (1) Obviously, "the strength of fellow-feeling is greater the more closely related the individuals are" (Sugden 2005, 56). If I notice that my beloved friend is experiencing fear, this will probably lead to a more intense affective response of a similar manner than if I had observed a total stranger. The reason for this is that emotions indicate what matters to us. If my friend is afraid of something, this implies that something which matters to her is endangered. Since, she is part of my "circle of concern", as Martha Nussbaum (2013) would call it, something which matters to her eventually also matters to me. However, fellow-feeling is not restricted to people who are close to us. (2) The intensity and effectiveness of fellow-feeling also depends on how "vividly the circumstances of the person directly affected are represented" (Sugden 2005, 56) to us. (3) Finally, the kind of the observed affective state does also play a role. While joy and grief are the paradigmatic examples for fellow-feeling, Smith (2002, 13–15) himself notices that the mechanism of fellow-feeling "does not hold universally, or with regard to every passion". For instance, observing the furious anger of a person may rather disgust us than letting us fellow-feel with her.

Smith asserts "that human beings *derive pleasure from* all forms of fellow-feeling" (Sugden 2005, 58). This may sound counterintuitive regarding the example of watching a person being tortured because this causes not a pleasurable but a painful feeling in us. However, I suppose Smith is making a very astute observation here that is best illustrated by the saying "a problem shared is a problem halved" – or even more telling in the German version "*Geteiltes Leid ist halbes Leid*". Adam Smith calls this *the pleasure of mutual sympathy,* and this seems to form the core of consolation and compassion ("the emotion which we feel for the misery of others" (Smith 2002, 11)). If I share my grief about a beloved person's death with a friend, this friend becomes conscious of my emotions and experiences fellow-feeling. In this case, the burden of this grief is shared, and we both derive pleasure from that. Knowing that another person feels similarly and can understand one's feeling is often relieving. (Sugden 2005, 58)

If we turn towards positive emotions, such as joy, it is easier to see the pleasure of mutual sympathy that is brought about by fellow-feeling. Becoming aware of a friend's joy, usually induces pleasurable feelings in oneself, too. "A smiling face is, to every body that sees it, a cheerful object" (Smith 2002, 13). Of course, it is possible that envy, jealousy or something else prevents the pleasure from arising, nevertheless this mechanism seems to be part of human psychology. Sympathy in the Smithian sense of the word, i.e. fellow-feeling, "enlivens joy and alleviates grief. It enlivens joy by presenting another source of satisfaction; and it alleviates grief by insinuating into the heart almost the only agreeable sensation which it is at that time capable of receiving" (Smith 2002, 18).

Note that we have to separate fellow-feeling from the pleasure of mutual sympathy. Fellow-feeling is just the psychological mechanism that induces in the attentive spectator a feeling similar to that which he observes in another person. In many instances, this fellow-feeling will be accompanied by an additional pleasure which is caused by the *correspondence of sentiments* between the people involved in the fellow-feeling. This is another hypothesis of Smith, and it comes down to the idea that we like it when other people affectively respond to a certain object in the same way as we do. Sugden (2005, 58) formulated this claim very clearly:

> Whenever one person A is conscious of a correspondence between his own affective response to some state of affairs and the response of another person B, that consciousness in itself has a positive affective quality for A. Conversely, if A is conscious of dissonance between his response and B's, that consciousness has a negative affective quality for A.

A very illustrative example provided by Smith (2002, 17–18) will clarify that: Imagine that you like a book, a poem or – to give the example a more contemporary touch – a movie very much so that you have already read or watched it very often. Although you cannot find any significant amusement in reading or watching it once more, we can still derive pleasure from reading or showing it to a companion. We hope that he will like it as well and expect his sentiments to correspond to our own ones in order to get *another source of satisfaction*, as Smith has named it. In the author's own words:

> To him it has all the graces of novelty; we enter into the surprise and admiration which it naturally excites in him, but which it is no longer capable of exciting in us; we consider all the ideas which it presents rather in the light in which they appear to him, than in that in which they appear to ourselves, and we are amused by sympathy with his amusement which thus enlivens our own. (Smith 2002, 17–18)

This example illustrates the interplay of fellow-feeling and the correspondence of sentiments extremely well. Fellow-feeling induces affective responses in ourselves which we would not be capable of experiencing on our own because we already know the book or the movie. These affective responses correspond to those of our companion and hence, we can derive pleasure from that. However, this can also fail if we have dissimilar sentiments towards the movie.

Since these ideas of fellow-feeling and correspondence of sentiments are very important for my argument in this thesis, I will briefly state what I take Smith's (2002) and Sugden's (2002; 2005) claims to be:

1. If one person B is lively conscious of a certain affective state of another person A, this consciousness can induce a state with similar affective qualities in person B. This psychological mechanism is called fellow-feeling.
2. Correspondence of sentiments is pleasurable: If we are aware of a correspondence between our own affective response to a certain object and that of another person, we derive pleasure from that.
3. Fellow-feeling induces correspondence of sentiments.
4. Hence, we can derive pleasure from fellow-feeling.

One reason why it is important to separate the two concepts of fellow-feeling and correspondence of sentiments is that the latter can also arise in the absence of the former. For instance, in theatre and football audiences, correspondence of sentiments will usually arise because people focus on the same emotion-eliciting object, namely the theatre performance or the football match. Of course, in these settings, it is also possible that the mechanism of fellow-feeling is at work, e.g., when I look at a person sitting next to me who is crying because of the poignant theatre play. However, it will be more often the case that the performance or the match yield corresponding sentiments in the audience members of which they become aware in a next step. Following Smith and Sugden, this correspondence is pleasurable.

2.2.2 Producing Relational Goods via Correspondence of Sentiments

The initial question of this section was: How are relational goods produced? Sugden (2005, 66) argues that these ideas of Adam Smith give important insights into the production process of relational goods because they explain how interpersonal relationships can create value. Relational goods are produced when we become aware of a correspondence of sentiments or of fellow-feeling. Unfortunately, Sugden does not separate these terms clearly in the following passage:

> Smith's hypothesis implies that relational goods […] arise from a perceived correspondence of sentiments. Sociality creates added value when social interactions allow people to become conscious of fellow-feeling. On this account, the technology for producing relational goods must involve the identification, the expression and (in the longer term) the cultivation of correspondence of sentiments. (Sugden 2005, 66)

This passage is a little bit puzzling because, to my mind, it is not entirely clear whether the consciousness of fellow-feeling, of corresponding sentiments or of both is crucial for the production of relational goods. This makes a difference because it determines whether the presence of one of these factors on its own is sufficient for the production of relational goods.

I would argue that this passage should be interpreted as follows: Correspondence of sentiments is primary for the production of relational goods. However, fellow-feeling typically involves corresponding sentiments and therefore, becoming conscious of fellow-feeling also includes becoming conscious of a correspondence of sentiments. Hence, I would slightly adapt Sugden's (2005, 66) formulation in the following way (changes in *italics*): "Sociality creates added value when social interactions allow people to become conscious of fellow-feeling *and thus, conscious of a correspondence of sentiments.*" The consciousness of both correspondence of sentiments and fellow-feeling is on its own sufficient for the production of relational goods, but fellow-feeling is sufficient only because it involves corresponding sentiments. Being conscious of fellow-feeling is ultimately being conscious of a correspondence of sentiments and hence, fellow-feeling is not necessary for the production of relational goods.

One of the advantages of this interpretation is that it allows for relational goods to be produced with respect to any type of affective state. In my elucidation of fellow-feeling above, I have stated that fellow-feeling does not work for all types of affective states. For instance, fellow-feeling does not seem to work smoothly with anger. If one would assume that the production of relational goods depends necessarily on fellow-feeling, we would have to restrict the production process to affective states that are "fellow-feelable". On the contrary, if we take, as I suggest, the correspondence of sentiments as primary and fellow-feeling to be only a special type of a correspondence of sentiments, we do not have to dwell on the question which exact types of affective states are "fellow-feelable" and thus, enable the production process to work. Any correspondence of sentiments regardless of the type will do so.

My interpretation of the concerning lines is based on Sugden's and Smith's explanations of why fellow-feeling is pleasurable:

> The source of the satisfaction is the *correspondence of sentiments* between the two people […]. (Sugden 2005, 58)
>
> [T]his correspondence of the sentiments of others with our own appears to be a cause of pleasure, and the want of it a cause of pain […]. (Smith 2002, 18)

Remember that the aim of this section is to understand how interpersonal relationships can create value. One reason why we value something is that it is pleasurable. If the pleasure of fellow-feeling is based on a correspondence of sentiments, it is this correspondence which is crucial for the production of relational goods. “On this account, the technology for producing relational goods must involve the identification, the expression and (in the longer term) the cultivation of corresponding sentiments.” (Sugden 2005, 66) To my mind, this has the important implication that becoming aware of a correspondence of sentiments can produce relational goods on its own regardless of whether these corresponding sentiments were induced by the psychological mechanism of fellow-feeling or by something else.

Hence, this interpretation can explain the production of relational goods in large social gatherings where the setting does not allow for each participant to observe the affective responses of all the others and “fellow-feel” with them. As already mentioned in previous sections, many authors take large social gatherings such as live sports events or arts and cultural events to be production sites of relational goods (Becchetti, Pelloni, and Rossetti 2008; Rasciute, Downward, and Greene 2017; Uhlaner 1989). In these scenarios, people typically form audiences which means that they “are in a situation of *joint attention* towards an *event*” (Thonhauser and Wetzels 2019, 234) and are bodily co-present (Kolesch and Knoblauch 2019).[8] The joint attention makes it very likely that the event elicits corresponding sentiments in the individual audience members and the bodily co-presence enables them to become aware of this correspondence of sentiments – without these sentiments being caused by the mechanism of fellow-feeling. In this way, direct-contact relational goods are produced in large social gatherings.

Of course, this mechanism does also work in smaller contexts. A correspondence of sentiments can produce relational goods in a setting where only a small number of people are involved, as well. However, this case seems to be more straightforward because one is able to observe each interactant’s affective response directly.

Some further remarks regarding the production technology of relational goods are necessary. First, I do *not* claim that awareness or consciousness of correspondence of sentiments is the only way how relational goods are produced. Following Sugden (2002; 2005) who draws on the ideas about relational goods of Benedetto Gui (2000; 2005), I have argued that a consciousness of correspondence of sentiments is one way in which interpersonal relationships create value and thus, relational goods. There may be other ways, but they are not the concern of this thesis.

[8] For my definition of the term „audience”, see section 1.2.1.

Second, I suppose that this explanation of the production technology of relational goods supports my argument in section 2.1.2 to extend the scope of relational goods beyond Gui's (2000; 2005) concept of an encounter. It should have become clear how relational goods are produced in settings, such as large audience activities, that cannot be characterized by the notion of an encounter.

Finally, I assume that the production process as described above builds a bridge between the two central concepts of this thesis: relational goods and collective emotions. A collective emotional experience that can be characterized as an episode of emotional sharing involves similar affective responses of the single individuals and a sufficient degree of integration that they become aware of this similarity – or in other words, that they become aware of a correspondence of sentiments.

2.2.3 Producing Direct-Contact and Indirect-Contact Relational Goods

In section 2.1.4, I have presented a distinction between direct-contact and indirect-contact relational goods that is based on the work of Uhlaner (1989). I have defined direct-contact relational goods as the communicative and affective aspects of interpersonal relationships that are enjoyed during a direct face-to-face interaction. In contrast to this, indirect-contact relational goods arise out of interactions that take place through media or imagination. This second type of relational goods requires self-identification with the group with which one is interacting indirectly. Of course, we should now ask whether the production technology differs between those two types of relational goods.

In the previous section, I have argued that being conscious of a correspondence of sentiments is a source of pleasure that arises out of interpersonal relationships and thus, a way how these relationships can create value. Therefore, we have to ask whether a correspondence of sentiments works equally in the case of direct face-to-face interaction as in the case of interaction via media or imagination. For this purpose, we have to invoke Sugden (2005, 58) once again: "Whenever a person A is conscious of a correspondence between his own affective response to some state of affairs and the response of another person B, that consciousness in itself has a positive affective quality for A." He distinguishes between three kinds of affective responses that can correspond to each other: *direct, imaginative,* and *perceived* affective responses. I will try to illustrate the difference between these three with an example.

Imagine a football match in which the referee makes a very controversial decision that elicits anger among the supporters of the home team in the stadium and those at home in front of their TV sets. (One is inclined to assume that after the implementation of the Video Assistant Referee this is a very exotic scenario but, surprisingly, it is not.) The stimulus, i.e. the controversial decision, impacts on the fans directly and induces a *direct* affective response. They recognize the controversial decision and become angry because they think that their team has been disadvantaged unjustifiably. Standing or sitting next to each other the supporters in the stadium may observe and interpret each other's gestures, words, and facial expressions. In this way, they become conscious of what they take to be the other's direct response, and this is called the *perceived* affective response. The case is a little bit more complicated for the fans at home in front of the TV set. Possibly, they observe enough noise and gestures via the TV broadcast to interpret the others' reactions and become conscious of a *perceived* affective response. However, it is equally possible that a supporter at home "imaginatively attributes an affective response" (Sugden 2005, 59) to the other supporters by imagining herself in their position or by imagining what would be an appropriate response for a person who supports the home team. This is an *imaginative* affective response. (Sugden 2005, 58–60)

"Smith's hypothesis about the affective qualities of correspondences of sentiment seems to apply to correspondences between any two of these three responses and, *a fortiori,* to correspondences between all three" (Sugden 2005, 60). This implies that the production process of relational goods is not structurally different between direct-contact and indirect-contact relational goods. The correspondence can exist between my own *direct* response and the *perceived* response that I become aware of during a face-to-face interaction (direct-contact relational good) or during a mediatized interaction (indirect-contact relational good). But it can also exist between my own *direct* response and an *imaginative* response that I attribute to members of a group with which I identify.

Since the latter case may sound a little bit abstract, I provide an example: Think of a British citizen who learns about the death of Queen Elizabeth II. in the newspaper and feels grief – this is the person's *direct* affective response. After she has overcome the first shock, she may imagine how other citizens of the United Kingdom feel right now and may attribute to them similar feelings of grief about this loss – an *imaginative* affective response. I suppose that it is very likely that she will derive pleasure from this consciousness of a correspondence of sentiments between her own direct response and the imaginative response of her fellow citizens. This indirect human interaction via imagination creates value and hence, produces an indirect-contact relational good – we could perhaps categorize it as a “sense of belonging” or a “social identity”.

To sum up, I have tried to answer the question how relational goods are produced, i.e. how interpersonal relationships can create value. Following Adam Smith (2002) and Robert Sugden (2002; 2005), I have presented the consciousness of a correspondence of sentiments as a source of pleasure that can arise out of human interaction. Furthermore, I have stated that this mechanism works similarly for direct-contact as well as indirect-contact relational goods. This does not imply that every time someone is aware of a minor correspondence of sentiments a relational good is produced. I do not aim at glutting our social life with myriads of intangible entities called relational goods. Rather, we can infer from these elaborations that settings where people typically become conscious of a correspondence of sentiments form fruitful grounds for the production of relational goods.

In addition to this, I do not claim that a correspondence of sentiments is the only possible production technology of relational goods. On the contrary, I suppose it is very likely that one could conceptualize other ways how we derive pleasure from interpersonal relationships and how they can create value. However, this thesis focusses on correspondences of sentiments because they provide a link between the two major philosophical concepts with which I am concerned – collective emotions and relational goods. I assume that this connection is most obvious in large audience activities such as cultural and sports events which are taken to be paradigmatic instances of both collective emotions and relational goods. In the next section, I will strengthen this alleged connection by arguing that an episode of emotional sharing is a direct-contact relational good.

2.3 Episodes of Emotional Sharing as Direct-Contact Relational Goods

In order to argue for the claim that episodes of emotional sharing are direct-contact relational goods, I will briefly repeat some of the central points of chapter 1. For emotional sharing to be possible, there has to be sufficient *diachronic* and *synchronic* integration within a collective, i.e. a dynamically self-organized group of individuals. Diachronic integration refers to “the multidimensional shared background that enables a plurality of individuals to emotionally evaluate a situation in a similar way and to express corresponding emotions together” (Thonhauser and Wetzels 2019, 231), e.g. shared knowledge, shared concerns etc. In contrast to this, synchronic integration means the interactional dynamics among the individual members of the collective or between the members and the event or the socio-material setting in which the event takes place. A sufficient degree of these two forms of integration allows for the different components of an emotion to be distributed among several members, i.e. to be socially extended. (Thonhauser and Wetzels 2019, 231–33; Thonhauser 2022, 34–35)

We speak of a collective emotion when some of the components of an emotion (but not only the evaluative component) are socially extended. If a collective emotion exhibits the following four features, we call it an episode of emotional sharing (for a detailed explanation, see section 1.3.1): a collective evaluative perspective, collective appraisal, a sense of togetherness, and self and other awareness.

In the previous section, I have argued that one way of how relational goods are produced is by becoming conscious of a correspondence of sentiments. I suppose that the terms "collective appraisal" and "correspondence of sentiments" basically mean the same, namely that two or more people evaluate an emotion-eliciting object in a similar manner. Remember the example of an audience being angry about the modern staging of Goethe's *Faust*. The quality or degree of the individuals' anger may vary but there is an object (the staging of *Faust*) which induces a similar direct affective response among the audience members, or, in other words, which is evaluated in a similar manner. We could describe this both as a correspondence of sentiments or as a collective appraisal. Therefore, we have good reason to think that these terms point at the same phenomenon.

Furthermore, I assume that the sense of togetherness and the self and other awareness ensure that individuals who are involved in an episode of emotional sharing become conscious of their collective appraisal/their corresponding sentiments. Knowing that one is part of a social group that is experiencing an emotion automatically gives rise to a consciousness of corresponding sentiments. If I am aware that there is a "we" that is experiencing joy, I am also aware that my own joy corresponds to the joy of the others.

I think this shows that an episode of emotional sharing, by definition, includes consciousness of a correspondence of sentiments. However, I have stated that I do not take every correspondence of sentiments to be a relational good because that would lead to an abundance of relational goods. I will clarify that with an example.

Imagine two skiers who meet in the queue at the bottom station of a ski lift without knowing each other. The sun is shining, and the slopes are prepared excellently so that they smile at each other and lead a minimal dialogue of a few seconds sharing their joy about the nice skiing day. After that, they depart from each other and never meet again. Although, at some point, they were conscious of a correspondence of sentiments, namely the corresponding joy about the weather and the slope, I think it would be immoderate to state that a relational good was produced in this minimal form of human interaction. And not at all, I would call this an episode of emotional sharing because they lack the necessary form of integration to be called a collective and they lack a sense of togetherness.

By now, I have said the following: every episode of emotional sharing includes a consciousness of a correspondence of sentiments but not every consciousness of a correspondence of sentiments leads to the production of relational goods. Hence, if we want to establish the claim that episodes of emotional sharing are relational goods, we need a further argumentative step.

So, we are encouraged to ask what is missing in the example of the two skiers or in any other instance of incidental consciousness of corresponding sentiments for relational goods to be produced? And if we can show that this missing element is present in episodes of emotional sharing, we are justified to say that they are relational goods.

I suppose the answer to this question hinges on the notion of the term "good" that one is applying. A good is something which is valuable. Until the late nineteenth century, value was taken to be dependent on some of the objective characteristics of the entity in question. Nowadays, economists predominantly advocate the subjective theory of value which implies that "[i]f something has economic value, it is because someone values it; it is because that good or service satisfies a human want." (Nash 1991, 32). According to this theory, the economic value of a good is entirely subjective and thus, determining whether a given entity is a good is also subjective. (Nash 1991, 31–34)

Without delving into the debate about value theory, I suggest that the subjective theory of value implies that a good is something which has significant influence on a person's well-being so that this person is willing to make a certain sacrifice in order to obtain that good. Typically, the alluded sacrifice consists of a payment in monetary terms. A person thinks that a material or immaterial entity of any sort will satisfy some of her wants, i.e. increase her well-being. Due to that, she is prepared to sacrifice something to obtain this entity and this preparedness assigns a certain value to the entity. If that is the case, the entity in question is a good. Although there may be objections to this very rough sketch of the theory of subjective value, I assume that the broad idea suffices to justify my argument.[9]

Therefore, the regarding "missing element" in the example of the two-skiers is the significant influence on the person's well-being and the concomitant willingness to pay something for this entity. I attempt to show that this element is present in episodes of emotional sharing and that, hence, they are relational goods.

As the reader may have noticed, I have not given much attention to the feature "collective evaluative perspective" in this argument. The collective evaluative perspective can be roughly identified with Salmela's (2012) notion of a shared concern and it means that there is something that matters to us as a group. Together with the given diachronic and synchronic integration, the collective evaluative perspective establishes social ties between the individuals whose sentiments correspond to each other.

I suppose that these social ties induce people to value the correspondence of sentiments of which they become conscious during an episode of emotional sharing. This valuation increases the likelihood that there is a significant influence on people's well-being and thus, contributes to the production of relational goods. Emotional sharing is accompanied by a highly complex social structure consisting of a dynamically self-organized group with the relevant degree of integration, a sense of togetherness, and a shared concern. I claim that a correspondence of sentiments that is embedded in such a structure will almost naturally influence individuals' well-being significantly because it is experienced together with people with which one is bound together at least in a minimal sense.

This claim is strengthened if we look at the two typical settings of episodes of emotional sharing that serve as the primary examples in this thesis: theatre performances and football matches. People are prepared to pay significant entry fees to attend these events. Where does their willingness to pay come from? What do they value about these events?

[9] Note that the idea of defining a good with respect to people's willingness to pay something in order to obtain that entity does not imply that a good is always available on a market. Public *goods* are usually not available on a market (you cannot walk into a store and buy "national defense") and still, we call them goods. I take the term "commodity" to refer to marketable goods and thus, it would in most cases be false to speak of *relational commodities* instead of *relational goods*.

Of course, their interest in what is happening in the football match and in the theatre play is part of their motivation. But if that was the only one, a market for theatre broadcasts would probably have developed and football stadiums would not be as crowded as they are because people could save money and time in watching their team on TV. I am convinced that the collective emotions that people experience in these settings are one of the main motivational forces that lead them to pay the ticket price. In buying a ticket for a theatre performance or a football match, one is essentially buying access to a very specific socio-material setting that primes the experience of collective emotions. One is buying the occasion to experience an episode of emotional sharing (or other types of collective emotions).

Independent of these examples, relational cohesion theory can also provide an idea of how people's valuation of episodes of emotional sharing may be reflected in economic decisions. Lawler, Thye & Yoon (2014) explain with reference to relational cohesion theory how collective emotions can enhance relational cohesion and result in commitment behavior. Commitment is typically considered as a preparedness to act in favor of a certain goal regardless of one's own anticipated welfare-level. Collective emotions could lead to commitment behavior in favor of a group goal involving a personal sacrifice. For example, an episode of emotional sharing could motivate people to spend money in a way that benefits the whole group out of a sense of responsibility for the group's well-being. (Sen 1977, 326–29; 2007; Lawler, Thye, and Yoon 2014)

If what I have stated is true, episodes of emotional sharing are *goods* because people value them and are prepared to pay something in order to obtain them. Since their value is derived from the communicative and affective aspects of these episodes, they are *relational* goods. To be more precise, I take them to be *direct-contact* relational goods. The reason for this is that synchronic integration – which is one of the preconditions of emotional sharing – demands that people are physically co-present.[10]

To sum up, I argue that episodes of emotional sharing influence the group members' well-being significantly so that they are prepared to pay for the access to socio-material settings in which they can typically experience such episodes. The group members value the involved

[10] Perhaps, one could argue that modern technologies, such as virtual reality simulations, enable synchronic integration to take place via media and thus, indirect-contact relational goods could also emerge out of episodes of emotional sharing. Since this would extend the scope of this thesis, I restrict synchronic integration to instances that include physical co-presence.

correspondence of sentiments of which they become conscious because they are embedded in a social structure that fosters the formation of social ties between the individual members whose sentiments correspond to each other. If this reasoning is correct, I can propose an answer to the question of what is sold in such disparate social events like theatre performances and football matches. What is sold, among other things, is the occasion to produce relational goods and to experience collective emotions which is, under certain circumstances, the same because *episodes of emotional sharing are direct-contact relational goods.*

2.3.1 Responding to a Potential Objection

Reading Benedetto Gui (2000) attentively gives reason to think that he would not agree with my claim that episodes of emotional sharing are relational goods:

> Indeed, one might be tempted to identify relational goods by referring, not to the `objective' characteristics of an episode of personal interaction, but to the subjective impact of this episode on the interactants. […] Indeed, if we intend to utilize the notion of a good, this must be defined independently of its users' preferences or evaluations. Take the example of a conversation at a business meeting. One might be led to say that the relational good produced is the gratification […] the actors may derive from the encounter. However, the impact may be highly asymmetric for the parties […].” (Gui 2000, 154)

My claim that episodes of emotional sharing are relational goods seems to make exactly this alleged mistake of identifying relational goods by referring to the subjective impact of this episode on the interactants. Rather, he suggests that we have to find objective characteristics that define the relational goods in order to be justified to use the notion of a good. However, defining goods with respect to some objective characteristics can, as far as I am concerned, only be achieved with a theory of *objective* value at hand. As mentioned above, most economists adhere to a theory of *subjective* value, and this seems to be perfectly compatible with defining the notion of a good dependent on its users’ preferences and with the impact of the good being highly asymmetric. Therefore, I suppose that one is *not* making a mistake in proceeding as I do and identifying relational goods by referring to subjective characteristics. (Gui 2000, 154)

On the contrary, I would deem it inappropriate to call something a good just because it possesses certain *objective* characteristics despite there being no one who is longing for it and assigns subjective value to it. Additionally, it would be implausible to exclude certain entities from the categories of “goods” because their impact is highly asymmetric for different parties. The impact of a new sports car is also completely asymmetric between a person owning a driving license and one with none. Concerning this issue, there exists an interesting econometric analysis examining “the heterogeneity of association between various activities that could be described as relational goods and the subjective well-being of economic agents” (Rasciute, Downward, and Greene 2017). However, this heterogeneity does not render it inappropriate to call these intangible entities relational *goods*.

In any case, since the theory of subjective value is the predominant theory of value in modern economics, Gui (Gui 2000) owes us at least some rudimentary ideas of what these objective characteristics to which he refers could be. Unfortunately, he does not provide any and instead, states that “[a]n important feature of relational goods is that some of their characteristics are prohibitively hard to define, even more measure” (Gui 2000, 154) *objectively* – as I would add. Relational goods and their characteristics can only be measured subjectively due to their communicative and affective nature. This is why I believe that we can also define their value only subjectively and therefore, it is not problematic to state that episodes of emotional sharing are (direct-contact) relational goods.

A final remark is necessary before I move on to the next chapter. Even if the reader does reject my claim that episodes of emotional sharing *are* direct-contact relational goods, the major argument of this thesis might still work out. This argument only requires that one accepts that relational goods and the experience of collective emotions motivate people to attend large audience events.

3 Monetization of Relational Goods and the Pragmatic Pathology of the Commodification of Football

In the first two chapters of my thesis, I have explained the concepts of collective emotions and relational goods in very much detail and have argued that they are closely connected. Indeed, I claim that episodes of emotional sharing are relational goods. My analysis was guided by two major examples, football matches and theatre performances, because I take these large audience activities to be paradigmatic examples for both, instances of collective emotions and the production of relational goods. Hence, they illustrate the connection between those two concepts vividly.

As with every kind of good, there are usually attempts to make monetary profit based on these goods. This is also the case for relational goods. I call this process, that aims at making monetary profit, the monetization of relational goods. This will be the focus of the third chapter of my thesis. I will argue that monetization, if unbridled, can overshoot a reasonable degree, and may backfire by harming the concerning relational goods. This is one reason why economic models should take relational goods into account because if they disregard these aspects of our social life, decision-making based on economic models could be misguided and cause inefficiencies. In this way, attempts to improve or maximize monetary profit in a given economic branch may lead to the deterioration of the basis of this profit's very existence. Again, football will serve as the primary example because I claim that it is an economic branch where the excessive profit-seeking is prone to diminish and overstrain the relational goods on which the business is based. This relates to what Walsh & Giulianotti (2007) call the Pragmatic Pathology of the commodification of football because the long-term profitability of professional football could be undermined.

Before I move on to argue for the claim sketched out above, I want to make clear what the reader has to accept in order for the remainder of the thesis to make sense:

- There are intangible entities that account for the communicative and affective side of our interpersonal relationships and influence our well-being. We call these entities relational goods.
- One way of how these relational goods are produced is via consciousness of a correspondence of sentiments. We derive pleasure from recognizing that other people experience similar emotions as we do, and this can generate relational goods.

- Certain types of collective emotions typically involve a consciousness of a correspondence of sentiments. Hence, collective emotions and relational goods are closely connected.
- Collective emotions require a shared concern within the group that experiences the emotion. A shared concern is something that matters to us as a group.
- Collective emotions and the resulting relational goods are a main motivating force for people to attend large audience events such as football matches.

Note that these assumptions are in some respects weaker than the claims for which I have argued in chapter 1 and 2. One can reject the distinction between direct-contact and indirect-contact relational goods, or the whole account of emotional sharing as an important type of collective emotions, or the argument that episodes of emotional sharing are direct-contact relational goods and so on. Still, the major argument of this third chapter might work out.

However, in order to think about the monetization of relational goods, we have to clarify two questions in the first place: What type of goods are those relational goods from an economic perspective? And what is monetization? The first two sections of this chapter are dedicated to these questions. In section 3, I will explain why economic models do not account for relational goods and why this could be a pitfall of economic models in some contexts. In the final section, I will look at the example of football as a business that relies on relational goods in order to strengthen my claim that economic theory can get into trouble if it does not consider relational goods in some of its models.

3.1 What Type of Goods are Relational Goods?

Most scholars characterize relational goods as *local public goods* (Uhlaner 1989, 254; Becchetti, Pelloni, and Rossetti 2008, 346; Corsi, Frontuto, and Novelli 2022, 246) – a term that was coined by Tiebout (1956). Typically, goods are defined as public goods if they have two features: non-excludability and non-rivalry. The reason for considering relational goods to be *local* public goods is that they are normally produced and consumed by a certain set of people that often share some kind of geographical or emotional proximity. “[T]he collective entity consuming them is represented by a specific subset of agents in the economy.” (Becchetti, Pelloni, and Rossetti 2008, 346).

A good is excludable if it is possible to prevent others from consuming or benefitting from this good. In our modern societies, property rights are the most common instruments to exclude others from consuming a good. If I own an apartment, I can literally exclude others from its usage by locking the door. However, one cannot "own" a relational good in this sense. On the contrary, relational goods are per definition produced and consumed ("prosumed") together with others because an interpersonal relationship requires at least two persons, otherwise it would be *intra*personal instead of *inter*personal. (Reiss 2021)

Take Gui's (2000, 152) example of the friendly "'atmosphere' that is created among waiting customers in a hair-dresser's shop". This relational good is a local public good because it is not possible to exclude anyone who is present in the hairdresser's shop (geographical proximity) from the "consumption" of this 'atmosphere'. People who live in a different region and do not visit this hairdresser's shop are in some sense excluded from this good, similar to a resident of the United Kingdom being excluded from the consumption of the *national* public good "Japan's national defense". (Reiss 2021)

One might intuitively reply: But isn't it possible to exclude someone by being unfriendly to him? No, because this would destroy the relational good "friendly atmosphere in the hair-dresser's shop" and the destruction of a good is not equal to the possibility to exclude someone from the consumption of it. If you start being unfriendly, there is no relational good *friendly atmosphere* anymore from which you could exclude someone.

I admit that there are some relational goods where this attribute of non-excludability might not fit perfectly well. The label *local public good* itself sounds a little bit contradictory because *local* implies some kind of exclusion while *public* entails the notion of non-excludability. Gui and Sugden (2005, 9) state that "[i]t is not quite obvious that interpersonal relations are non-excludable. Some forms of social engagement are naturally analysed as *club* goods." These are goods that are non-rival in consumption but allow for preventing "those who do not contribute to the costs of provision from enjoying the benefits" (Gui and Sugden 2005, 9).

Think of an intimate friendship. In this case, the close relationship and the positive aspects of it are often based on some kind of exclusivity meaning that this friendship is something unique that one shares only with very few people. However, also in this case, the consumption of this good is incompatible with a complete exclusion of everybody else (which would imply excluding your intimate friend as well) such as it is possible for private goods like an apple or a train ticket.

The second characteristic of (local) public goods is its non-rivalry. This idea traces back to Paul Samuelson's (1954, 387) notion of collective consumption goods which are non-rival "in the sense that each individual's consumption of such a good leads to no subtraction from any other individual's consumption of that good". Food is a canonical example for a rival good because my consumption of a meal makes it impossible for you to consume the same meal. By contrast, music is a non-rival good because my enjoyment of Bach's Cello Suite No. 1 in G Major does not diminish your possibility to do so as well. (Reiss 2021)

Indeed, relational goods "should be better defined as anti-rival than as non rival, because their very same nature is based on the interpersonal sharing of them" (Becchetti, Pelloni, and Rossetti 2008, 346). The consumption of a relational good not only does *not* subtract – as Samuelson says – from any other individual's consumption of that good, but it can even provide additional benefits. While the consumption of a rival good diminishes or even "uses up" the good's utility or value, "[w]ith relational goods, the jointness of consumption itself provides a benefit, and congestion can increase utility. Thus, a baseball game is more exciting when the park is full." (Uhlaner 1989, 255)

Since we have characterized relational goods as public goods, at first glance, "economic theory gives us reason to expect that [they] will be under-supplied in a competitive market" (Gui and Sugden 2005, 8). Public goods are often said to be subject to a market failure because they are under-produced. This means that on a competitive market, an amount of public goods is produced that is lower than the amount that would be efficient from the perspective of the whole society. The reason for this is the non-excludability of public goods. If I bear the costs for the production of the public goods, I am not able to exclude others from the goods' benefits. Hence, I have an incentive to free-ride and to benefit from public goods that are provided by other people without contributing to the provision on my part. Another way to frame this market failure is to say that the price mechanism does not work in its usual form because consumers do not have an incentive to disclose their real willingness to pay for the good. In an attempt to free-ride, they will probably declare a willingness to pay that is below their real valuation of the good hoping for others to provide the public good.

The potential under-production of *relational* goods is discussed by many authors (Gui 2005, 34, 40–41; Becchetti, Pelloni, and Rossetti 2008, 346–47; Gui and Sugden 2005, 8–10; Uhlaner 1989, 257; Bardsley 2005) without a clear conclusion as it seems to me. Generally speaking, I suppose that the idea of relational goods being subject to the same under-production as public goods is not very promising which is why I do not pursue it any further in this thesis. The reason for this is a special feature of relational goods: They are produced and consumed at the same time and hence, "complete free-riding is not possible" (Gui 2005, 41). The free-riding problem of public goods is based on the fact that one can consume them without contributing to the production process. This is not the case for relational goods because "their production and consumption very often cannot be separated" (Antoci, Sacco, and Vanin 2005, 151). In order to benefit from a relational good, I usually have to participate in a social activity with others and this already is a contribution to the production process.

Perhaps, there are objections to this classification of relational goods as local public goods, and I assume that we cannot find one single characterization that indisputably fits for all types of relational goods that are imaginable. Nevertheless, I assume that what I have offered is a plausible characterization which is supported by the existing literature and appropriate for most examples.

Another distinctive feature of relational goods needs to be highlighted. Relational goods are *non-marketable* by which I mean that they cannot just be purchased on a market such as private goods due to various reasons.[11]

As already explained in section 2.1.2, relational goods acquire value through sincerity and genuineness. However, these are properties that are impossible to buy. Gui & Sugden (2005, 4) call this the "non-contractability" of relational goods. The genuine affective qualities of relational goods may be lost if people engage in these activities out of instrumental reasons. "This feature of relational goods does not necessarily prevent their being created in a market context, but it does work against their being obtained through wholly instrumental motivations" (Gui and Sugden 2005, 11). Paying a fee to the host of a big garden party for inviting you will result in you having access to the party, enjoying the music, getting drunk or having nice conversations with other guests. However, it will not result in a sense of belonging to the clique of the host it

[11] Note that what I define as *non-marketable* goods is not equivalent to what is called *non-tradable* goods. This is a term often used in the theory of international trade and refers to goods that are due to their nature not tradable on an *international* market. These goods are typically sold on a purely *domestic* market without exports and imports. On the contrary, *non-marketable* goods can be bought *neither* on a domestic *nor* on an international market. (Woodland 2008)

would have been if he had invited you out of genuine sympathy and not due to instrumental reasons.[12]

In addition to this, there are more trivial reasons of a logistical or distributional nature for relational goods being non-marketable: They can hardly be categorized into separate units that one could sell and distribute. Other intangible goods, such as consulting or software, do not have this problem and can be distributed to customers. I can give you advice on a given topic by writing a report and charge you a consulting fee of 100€ for every hour that it took me to write the report. Or you can pay me 50€ and, in exchange, you get access for two years to the special literature-research-software that I have coded. This is not possible for most types of relational goods. I cannot sell three hours of sense of belonging or ten units of social approval. Hence, I suggest that relational goods are non-excludable, anti-rival, and non-marketable goods.

If we already think ahead and ask how economics could analyze these special goods with its common tools, we face a certain challenge. The typical way of how goods are grasped by economic analysis is by assigning a monetary value to them. Due to the feature of being non-marketable, this is by far not a trivial task with respect to relational goods. As indicated above, “by definition, a relational good cannot be purchased, and an individual cannot even evaluate it until it is created, so that the willingness to pay for a relational good cannot even exist” (Corsi, Frontuto, and Novelli 2022, 258). It is not possible just to take the market price of a relational good and to enter that into our economic models and calculations. Apparently, we will need some special tools to overcome this obstacle. Stanca (2016, 484) presents the Hedonic Price method and the Life Satisfaction Approach as the two main approaches “in the recent economic literature to measure the monetary value of relational goods”. I will explain these approaches in more detail in section 3.5.

I have pointed to some characteristics in which relational goods differ from typical private goods such as cars, food or housing. “Interpersonal relationships spontaneously arise among individuals and cannot be traded since they are not private goods in any sense” (Capecchi, Iannario, and Simone 2018, 730). So, what do I mean when I speak of the monetization of relational goods? How can one earn money with relational goods if one cannot just sell them

[12] And the „nice conversations with other guests“ also only have genuine affective qualities if these guests do not just talk to you due to instrumental reasons, e.g. because they want a job in your corporation or a donation for their charity project.

on a market? In the next section, I suggest the following answer to these questions: by *selling occasions for producing relational goods*.

3.2 The Monetization of Relational Goods

In this section, I aim to define the term *monetization* as the attempt to make monetary profit on the basis of a certain good and to delineate it from related phenomena like commodification, commercialization and unnatural chrematistic exchange. I claim that relational goods can be monetized by selling occasions for producing them.

The concept of *monetization* understood as the attempt to make monetary profit on the basis of a good is not a commonly used one in the economic and philosophical literature. Nevertheless, I suppose that it is necessary for my thesis to introduce it. Applying an uncommon concept automatically raises the question whether there is not already an established concept that can account for the concerning phenomenon. Candidates that come to mind are the terms *commodification, commercialization* and *unnatural chrematistic exchange*. I try to show that none of these concepts is appropriate to describe the process of earning money based on relational goods, which is the focus of this third chapter, and hence, justify the introduction of the concept *monetization*.

The term "commodification" describes the transformation of a good (or service) into a commodity. What this means can probably be explained best with respect to Aristotle's distinction between the *use-value* and the *exchange-value* of a good. "[U]se-value refers to the capacity an item has to satisfy human needs and exchange-value refers to the relative value it has on the market" (Walsh and Lynch 2008, 26). In this sense, a good is commodified if it is assigned an exchange-value in addition to its use-value. "When we commodify a good we transform it from one with use-value *alone* to one with *both* use-value and exchange-value" (Walsh and Lynch 2008, 26). Via this process, the good in question is transformed into an entity that is bought and sold on a market, i.e. a *commodity*. (Walsh and Giulianotti 2007, 12–13)

Would it make sense to speak of the commodification of relational goods? Due to the non-marketable nature of relational goods, I negate this question. We cannot conceive of relational goods as separate entities that can be delineated from each other strictly and that can be sold as commodities on a market. One can probably argue that something like a use-value of relational goods is conceivable because they satisfy certain human needs. However, they are not in any sense similar to Aristotle's classical example of a shoe which can be assigned an exchange value and can be traded on a market. Hence, when businesses earn money based on relational goods, they do not commodify them in the sense defined above.

For similar reasons, we can rule out Aristotle's notion of *unnatural chrematistic exchange* as a description for what companies do when they earn money with relational goods. Aristotle condemns the production of goods with the aim of profit-seeking in mind. If goods are merely produced in order to sell them on a market for their exchange value, this is called unnatural chrematistic exchange. As already said above, relational goods do not have an exchange value in this sense and moreover, they are not "produced" by the companies themselves but by people interacting with each other. Thus, it would be inappropriate to speak of the *unnatural chrematistic exchange of relational goods,* as well.

We are left with the third alternative that I proposed above: commercialization. Kennedy & Kennedy (2016, 6) describe commercialization as the extension of "markets and the language of markets into a domain". One could probably say that sports in general, and especially football, is increasingly commercialized in the sense that it is commercially-driven, market rhetoric is used and its main aim is to make profit. However, the *monetization* of relational goods as I define it describes a way of how this profit is made. Since the term *commercialization* is usually used to describe a broader development within a certain branch or organization, e.g. the commercialization of sciences (Caulfield and Ogbogu 2015; de Melo-Martín 2019) or of the Olympic Movement (Abanazir 2022), I think it would be misguided to speak in the same way of the commercialization of relational goods. However, it is plausible that, e.g., the monetization of relational goods in football is one aspect of the broader development of the commercialization of football.

It should have become clear why I take the already existing concepts of commodification, unnatural chrematistic exchange, and commercialization to be inappropriate to describe the process of earning money based on relational goods. Therefore, I introduce the concept of monetization as the attempt to make monetary profit on the basis of a certain good. In the remainder, of this section, I will explain how companies monetize relational goods. How can one earn money with a good that is non-marketable?

Companies that monetize relational goods offer services that foster or facilitate the production of them. Think of (online) dating services. They provide occasions to produce the probably most powerful relational good in our life, namely the loving affection that stems from an intimate partnership.[13] The online platform “Tinder” does not sell relational goods, but it offers a service that (allegedly) facilitates the production of them.[14] Possibly, another example are night clubs and discos which could be regarded as a service that fosters the production of relational goods by providing a very specific location and atmosphere for celebrating and interacting with other people. In these cases, the relational good is the main focus of the activity involved. Companies earn money by fulfilling a mediating role for the production of relational goods.

In a slightly different form of monetization, the monetized goods are the by-products of another activity that is sold. In these cases, relational goods are monetized by increasing the customer’s willingness to pay for the activity or by providing additional motivation to participate in it. Gui & Sugden (2005, 11) would probably agree that this is a promising attempt to earn money because “relational goods are often most effectively obtained as by-products of other economic activities. That is, the interactions in which these goods are created and ‘consumed’ are understood by the participants as having other purposes.” Due to this “disguised” consumption of relational goods, people will probably attribute the additional happiness to the main activity which increases their willingness to pay for it.

To my mind, the most obvious example of this way of monetizing relational goods are large audience activities, and especially sports events. At first glance, sports fans pay the ticket price in order to be able to watch their team compete. However, as I have already explained in section 2.3, if it were only for the experience of watching the team and getting to know how they play, there would probably be less people prepared to spend a significant amount of money and time to visit a stadium instead of watching the event on TV (where one usually gets a lot of additional information from experts analyzing the competition). Therefore, I assume that the relational goods that are produced via collective emotions during these events and obtained as *by-products* of the main activity are a strong motivating force to attend these events and increase people’s willingness to pay. I can only once more emphasize Uhlaner’s (1989, 255) telling thought: “Thus, a baseball game is more exciting when the park is full.”

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[13] Eva Illouz’ (2021) work is describing the influence of capitalism on our romantic relationships intriguingly.

[14] Notice that even if one uses Tinder or other dating platforms to obtain relationships for casual sex instead of intimate partnerships, this can still be characterized as a relational good.

I will explain in more detail how I take football (and similar sports) to monetize relational goods in section 3.4.1, but for now, it should suffice to say that I understand the monetization of relational goods, in general, as the sale of occasions for producing them. Businesses can do that by offering services that mediate such occasions or by providing these occasions as a by-product of other main activities for which the customers pay.

3.3 Economic Models and Relational Goods

As I have stated repeatedly, I suppose that relational goods are non-marketable. They are not sold on a market as a commodity. So, why should economics be concerned with relational goods? “According to conventional interpretations of the thematic and methodological boundaries of economics, interpersonal relations may seem not to be the business of economics at all” (Gui and Sugden 2005, 3). In this section, I aim at explaining why incorporating relational goods into economic models may not be as unreasonable as it seems to be.

In both types of monetization of relational goods that I have described in section 3.2, if one abides by the rule “follow the money”, it seems to be quite clear which aspects of the situation an economist should analyze. In the first case where companies monetize relational goods by mediating occasions for producing relational goods, there is a straightforward economic transaction involved at the point where the customers pay for this mediating service. This can be the membership fee for the premium version of an online-dating service or also the entrance fee for a night club. One could justifiably suggest that these mundane economic transactions are what economists should look at.

The second case in which relational goods are the by-products of another activity is very similar. Again, there is an economic transaction involved when the customer pays for this main activity of which relational goods are a by-product. The commodities that are sold are the ticket for a football match, for a theatre performance or, to give a different example, the drinks and food in the restaurant where I produce relational goods as a by-product via having an inspiring conversation with my best friend during the meal.

Applying the standard economic tools for the markets of online-dating services, night clubs, football/theatre tickets and restaurants works perfectly well. The exemplary situations can be incorporated into economic models by considering the economic transactions involved as being part of one of these markets. However, as I will try to show in the remainder of this thesis, this reasoning may be short-sighted because it falls short of taking into account entities that significantly influence the market in question. The neglect of relational goods "may severely limit economic analysis and curtail the validity" (Becchetti, Pelloni, and Rossetti 2008, 344) of the derived recommendations and prescriptions for decision-making in certain businesses.

In section 3.3.1, I will start by spelling out what I refer to with the term "economic models" and by proposing some explanations why relational goods and other emotional components of our economic life are not represented in economic theory. I continue by providing some general reasons on a more abstract level why relational goods can be relevant for economic theory (section 3.3.2), before I turn towards the specific example of relational goods in the business of professional football (section 3.4).

3.3.1 Economics' Disregard of Interpersonal Dimensions of Human Interactions

First of all, it is necessary to clarify what I mean by "economic models". There is a great variety of models in economic theory so that speaking of economic models without further specification would be rather pointless. There is also a rich discussion in the literature on the nature of economic models, whether they can be understood as abstractions, simplifications, idealizations, experiments, credible worlds or something else (Rodrik 2016; Sugden 2000; Weisberg 2007). Dani Rodrik (2016, 14) states that "[e]conomists build models to capture salient aspects of social interactions" and that "[t]he easiest way to understand them is as simplifications designed to show how specific mechanisms work by isolating them from other, confounding effects".

When I speak of economic models, I am primarily concerned with *microeconomic* models that are based on rational choice theory. While macroeconomics investigates the overall economy and takes a look at parameters such as unemployment rate, gross domestic product or inflation, microeconomics "is concerned with how supply and demand interact in individual markets for goods and services" (Rodrigo n.d.). Microeconomic models analyze and try to explain/predict the decisions of economic agents (typically consumers and producers) about what to buy, sell, or produce. The most basic model of this type is the "cross" consisting of a downward sloping demand curve and an upward sloping supply curve for a given market. (Rodrigo n.d.)

This implies that when I argue that economic models should take relational goods into account, I am not asserting that a macroeconomic model which studies the development of the inflation rate in sub-Saharan Africa should consider whether relational goods are a parameter with significant explanatory power. Rather, I claim that microeconomic models concerned with a market in which relational goods are involved should be cautious not to overlook these relational goods as important influencing factors for the decisions of economic agents – especially, if these microeconomic models potentially guide business decisions within this market.

The standard (micro)economic models in neoclassical economics are accompanied by some idealizing assumptions which are usually subsumed under the label "perfectly competitive market". One of those assumptions is that the behavior and decision-making of economic agents follows the rules of rational choice theory. Commonly, this is known as the ideal of a *homo oeconomicus* who maximizes his personal utility given certain constraints. A detailed explanations of the principles implied by rational choice theory is provided by Binmore (2015).

What is important for the context of this thesis is that rational choice theory does not leave any room for emotional, social or interpersonal explanations of an economic agent's decision. "Conventional economic theory models the behaviour of rational agents, characterized only by, and motivated only by, their preferences and beliefs; in consequence, it recognizes only the cognitive dimensions of interactions between its agents." (Gui and Sugden 2005, 13)

Binmore (2015) draws the following picture of economic agents:

> Hobbes (1986) said that one can characterize a man in terms of his strength of body, his passions, his experience, and his reason. In modern economics, an agent's strength of body becomes his feasible set – the set of actions it is possible for him to take. His passions become his preferences. His experience is summarized by his beliefs. His reason becomes the set of rationality principles that guide his choice of an optimal action from his feasible set, given his preferences over the possible consequences and his beliefs about matters over which he has no control. (Binmore 2015, 4)

The consequence of the methodological decision to populate economic models with agents that are guided by rational choice theory is a disregard for everything that cannot easily be grasped and formalized with a set of preferences and beliefs – including (collective) emotions and relational goods. Bruni (2005) portrays this historical development of economic science that led to the stage of economics not finding any room for interpersonal relations in its analysis.

Although economists knew that economic science, "in focusing on the material and quantitative aspects of human interactions, was losing important elements of 'wealth', [they] coldly abandoned the interpersonal dimensions of wealth" (Bruni 2005, 211). One reason for this is that economists aimed at establishing a new scientific discipline based on objective measurement. Interpersonal relations, emotions and other ill-defined components of a person's wealth evade objective and scientific measurement and hence, they "had to be sacrificed to the altar of the new science" (Bruni 2005, 212).

Vilfredo Pareto (1848-1925) played a pivotal role in this development and his ideas have significantly influenced contemporary microeconomics and rational choice theory. "He intended to make as little recourse as possible to psychological and sociological data *within* economics" (Bruni 2005, 212). This can remind one of Paul Samuelson's theory of revealed preferences on which modern neoclassical economics is built and which leaves "any speculation about what goes on in people's heads to psychologists" (Binmore 2015, 5).

Hence, from the perspective of neoclassical economics, "the economic agent is completely impersonal, *a machine that maximises a function under constraints*" (Bruni 2005, 214). Due to this impersonality, there is no room left for interpersonal relationships or emotions that arise out of such an interaction. In an economic interaction, the other interactant is not a person with whom the economic agent "can have a personal relation but merely a complex constraint of the latter's maximization problem" (Bruni 2005, 227).

3.3.2 Why Should Economic Models Incorporate Relational Goods?

Viewing human beings as machines that maximize a function under constraints may seem questionable from an ethical perspective, but if this feature of impersonality contributes to the explanatory power and scientific excellence of economics, one could probably accept this blemish. In other words, I have only explained why economic models typically do not account for interpersonal dimensions of our life and, especially, relational goods, but not why they should indeed do so. This will be the task for now.

If economists do not think of relational goods as entities that are worth being considered in economic models, economics could be blind with respect "to potential unintended effects of policy measures [or business decisions, S.A.] on the social fabric of contemporary societies" (Becchetti, Pelloni, and Rossetti 2008, 361). This does not mean that every economic model regardless of the context should always incorporate relational goods. Nevertheless, I suppose that there are certain economic branches or markets where relational goods play an important role and should be considered in economic models concerned with these markets. Otherwise, the social environment, which contributes to our well-being and within which the economic transactions take place, may be a blind spot of the economic view on this field. (In the subsequent section of this thesis, I argue that football is an economic branch where this is the case.)

Benedetto Gui (2005) provides a very convincing reason why relational goods should be considered in economics and draws an analogy between our social and our natural environment:

> The reason is that there remain real phenomena that risk not even being conceptualised in economic terms, and therefore are liable to be ignored in individual, corporate and governmental decision making based on economic reasoning; and when, confronting a situation, a significant element is ignored the search for efficiency is destined to damage that element seriously, in the attempt to obtain modest improvements in other objectives, with the result that inefficiency is actively promoted. The natural environment analogy is especially insightful in this regard. In recent decades we have developed a much greater awareness than before of the need to include ecological consequences among the costs and benefits of individual or collective actions. The time has now come that we also learn to account for those hidden costs and benefits of our choices that are associated with their impact on the social environment – which is no less important, both instrumentally and intrinsically, than the natural environment. (Gui 2005, 49–50)

Economic decisions that are derived from or recommended by (micro)economic models could potentially affect relational goods. Since relational goods are not considered within these models, the effect of the decisions on the relational goods is not taken into account in the strive for maximizing output, revenue, utility or whatever. Hence, if these relational goods are important for the "good-making features upon which commercial profits are based" (Walsh and Giulianotti 2007, 107), it could happen that the recommended decisions are inefficient because they diminish something which is valuable for the business.

To give an abstract example, it is imaginable that a certain technology enables the supplier of a given product to separate one person's consumption from another's. The implementation of this new technology may seem attractive from an economic point of view because it could save costs, e.g., for providing spaces where the customers can consume the product together. Economic models would deem the implementation of the technology to be efficient and utility-maximizing. However, the result of the separation of people's individual consumption could be "that interpersonal interaction occurs less commonly as a by-product of ordinary production or consumption activities" (Gui and Sugden 2005, 7) and that, eventually, consumers reduce their consumption of the product because the additional benefit of producing relational goods is lost.

Before I move on to the more concrete example of football that is intended to strengthen my claim, I want to clarify two aspects of my argument. First, my argument does not presuppose any normative judgements about the value of sociality or interpersonal relationships. I remain neutral on the question whether interpersonal relations have normative value in themselves. I do not claim that we should produce as many relational goods as possible because they are of high value for our lives and that some economic decisions are misguided because they diminish these valuable goods. Instead, I argue that there are economic branches that are influenced by relational goods and therefore, decision makers in these branches risk making inefficient decisions if they rely on economic models. The only normative judgement that is involved here is that inefficiencies are undesirable.

Secondly, according to Bruni (2005, 207), economists "have left the task of studying them [interpersonal relations, S.A.] to other disciplines (sociology, psychology, anthropology, etc.), and concentrated their analysis on 'material goods' (wealth, or *economic* welfare)". I do not argue that economics should change its focus and should be concerned with more than it usually has been. My argument shall not amount to some economic imperialism that wants to explain and analyze interpersonal relations and emotions with economic tools. What I argue is that an analyses of "'material goods' (wealth, or *economic* welfare)" may be incomplete and misguided with respect to some economic branches if it does not consider relational goods.

3.4 Football and Relational Goods

Major aspects of the debate on the role of relational goods in economics revolve around questions like the following ones: "[A]re relationships an important input of (or output affected by) economic activity which is neglected in traditional analyses" (Becchetti, Pelloni, and Rossetti 2008, 348)? "Do certain forms of social engagement provide essential inputs to economic processes, and are these not being accounted for in conventional economic analyses" (Gui and Sugden 2005, 2)? "And could it be that the social environment we are used to is not a permanent background feature of the world, but something that is being degraded by economic developments" (Gui and Sugden 2005, 2)? In this chapter, I suggest answering these questions in the positive by looking at the example of professional football.

For this purpose, I refer to what Walsh & Giulianotti (2007, 107) have named the "Pragmatic Pathology" of football. The idea behind this term is that the excessive commodification of football is accompanied by unintended side-effects which can harm professional football and the related businesses in the long run. The strive for higher revenues and profits "diminishes the good-making features upon which commercial profits are based" (Walsh and Giulianotti 2007, 107). I assume that the *monetization* of relational goods is one aspect of the *commodification* of football and that, thus, the concept of the Pragmatic Pathology is also applicable in the context of this thesis.

3.4.1 What Does Football Sell?

In this section, I aim to explain how I take professional football to monetize relational goods. I claim that football monetizes the relational good "social identity" by presenting itself as a type of social comparison between different social groups. It does so by selling access to an affective arrangement where this social comparison causes collective emotions and thereby fosters the production of relational goods. Football provides occasions to experience collective emotions and to produce relational goods. My argument relies on the ideas of Tajfel & Turner (1986) on social identification theory.

To begin with, in order that football can monetize relational goods, there have to be relational goods that are in some way related to football. It should have become clear in the first two chapters of this thesis that the production of relational goods is closely connected to collective emotions. Furthermore, I stated that emotional sharing is one specific type of collective emotions and that football audiences are paradigmatic instances of emotional sharing. Hence, it is quite obvious that these episodes of emotional sharing, that football audiences experience, produce relational goods that the football business can try to monetize.[15]

However, I assume that an explanation of the monetization of relational goods in football must not stop here. It needs to take one further step back and enquire about the preconditions for these episodes of emotional sharing. One of the essential prerequisites for collective emotions is a shared concern (see section 1.3.1). I suppose this is where the process of monetization starts. We need to care about football in order to experience emotions that produce relational goods

[15] In section 2.3, I have even argued that these episodes of emotional sharing are relational goods in themselves. However, one does not need to accept this claim for the argument concerning monetization to make sense.

which can eventually be monetized. Thus, we arrive at the question: Why do we care about football?

Let me start my answer to this question with presenting some facts that underline that we indeed do care about football. The final of the heavily criticized FIFA World Cup in Qatar 2022 between Argentina and France reached a global audience of 1.5 billion viewers (Jones 2023). During the 2021/22 season, the English Premier League attracted a total amount of 14.592.487 visitors in the stadiums – this results in an average attendance of 39.870 spectators per game ('Premier League Attendances 2021/22' n.d.). In Germany, the football association DFB counts almost 7.2 million registered members and is the biggest sports association of the country ('Mitgliederzahl Des Deutschen Fußball Bundes (DFB) von 1950 Bis 2022' 2022). One could extend this cursory list endlessly.

Should we be surprised by the fact that so many people care about football and that this sport causes such intense emotions as can be regularly observed on and off the football pitch? According to Simon Borge (2019), it is indeed puzzling that we engage in football with such a fervor and enthusiasm although the outcome of a football game does not really matter to our lives:

> [Sports] are activities that are undertaken not as a means of survival (whether it be for economic gain or getting food) or reproduction, or that otherwise seem to be done to produce something we deem valuable, with regard to everyday concerns or as part of our quest to better our circumstances. […] Game playing and sport are not directly valuable for ordinary world concerns […]. Rather, we engage in such activities not because we have to, but for the fun of it – as a diversion, entertainment, recreation or pastime. Games and sport are basically unnecessary activities, where unnecessary activities are understood as not directly needed (superfluous) with regard to meeting everyday, ordinary world needs. This is the sense in which games and sports are an extra with regard to the ordinary world; they are not extraordinary, but extra-ordinary. (Borge 2019, 16)

For the sake of the argument, I accept the premise implicit in this reasoning that we primarily care about "necessary" activities that influence our ordinary world concerns. Probably, this premise could be challenged but I do not deem it to be too contentious to assume that caring about necessary activities is the standard case while caring about unnecessary or "extra-ordinary" activities requires an explanation. Hence, according to Borge (2019), in order to engage emotionally with football and to care about it in the way we do, we have to pretend or make-believe that winning football matches matters. Borge (2019, 15) calls this *football's fictional character* or *the football fiction*.

One could be tempted to immediately reject this claim by saying that the results of football matches do matter in an ordinary world sense if one is betting on football results or if football influences one's pride and self-esteem. However, in these cases we borrow tools from the ordinary world such as money or social prestige in order to change the character of the game. The mere fact that the players of Argentina have carried the ball more often behind the goal line than the players of France during the World Cup Final does not make anyone ill in France or healthier in Argentina, nor does it influence the satisfaction of any other basic need or ordinary world concern. (Borge 2019, 52–54)

Thus, "[t]here is a discord between the behaviour of the football supporter, i.e. his or her displayed engagement, and the importance of what happened on the pitch with regard to his or her everyday life" (Borge 2019, 21). This discord is explained by football supporter's make-believe and pretense that football does matter, i.e. by *the fooball fiction.* Borge (2019) offers several reasons why we engage in football in such an intense way and how we make the football fiction work. One of these explanations is especially interesting with respect to the context of this thesis. He suggests "that sports like football came about as a venue for humans to compete with and dominate each other, and for others to watch while they did so" (Borge 2019, 29).

To my mind, this provides a link to the topic of relational goods where we have already become acquainted with a similar idea when we talked about social comparisons and the social identification theory of Tajfel & Turner (1986) in section 2.1.4. To repeat one of their core claims: Social categorizations and identifications "provide a system of orientation for *self-reference*: they create and define the individual's place in society. […] These identifications are to a very large extent relational and comparative: they define the individual as similar to or different from, as 'better' or 'worse' than, members of other groups" (Tajfel and Turner 1986, 16). Football and other sports provide an opportunity to compete with and dominate other social groups without having the bad consequences of real, "ordinary world" competition and domination such as military conflicts (Borge 2019, 28–30). It is not without reason that some scholars view sports as a "moral equivalent of war" (Morgan 2006, 1).

I think we can now give a partial answer to our initial question: Why do we care about football? We care about football because it is a form of social comparison that influences our social identity. Remember that Tajfel & Turner (1986, 16) define a social identity as "those aspects of an individual's self-image that derive from the social categories to which he perceives himself as belonging". Moreover, they assume that we value a positive social identity, and this implies that it can be viewed as a relational good because it is an aspect of our interpersonal relationships that we value.

If I perceive myself as belonging to the social category of supporters of Borussia Dortmund and the club wins against its archrival Schalke 04, this social comparison defines my own social group as 'better' than the social group of Schalke 04 supporters and contributes to a positive social identity. Since I care about the relational good "social identity", I care about the result of the football match and can engage emotionally with it. It is interesting to note that, according to Borge (2019, 23) football is more suitable for our emotional engagement than other sports because "football, and other constructive-destructive contact sports, provide a less cerebral, more emotionally raw spectator experience that better fits the us-versus-them aspect of identity-making and identity-maintenance projects". In addition to this, there is also the idea that engagement in football and other sports provide the opportunity "to let emotions flow freely" (Borge 2019, 27) or that sports function "as a valve that [allows] humans to let off emotional steam" (Borge 2019, 29) in a controlled and largely non-violent manner. It is an advantage of football's extra-ordinary nature that these outbursts of emotions typically remain without ordinary world consequences – given that one does not breach legislation.

Let us take stock for a moment. I think that football appeals to our desire for competition, domination, and for social comparisons that contribute to a positive social identity. This is one reason why we care about football, and it amounts to a shared concern among all members of a social (football) group. Following Tajfel & Turner (1986, 15), "[w]e can conceptualize a group, in this sense, as a collection of individuals who perceive themselves to be members of the same social category, share some emotional involvement in this common definition of themselves, and achieve some degree of social consensus about the evaluation of their group and their membership in it". It is of utmost interest for the context of this thesis that two essential features of an episode of emotional sharing, namely a shared concern and a collective appraisal, seem to be constitutive for a social group. At least, I presume that one can interpret the "emotional involvement in this common definition of themselves" as a shared concern and the "social consensus about the evaluation of their group" as a collective appraisal. This suggest that members of this social group will regularly experience episodes of emotional sharing or other types of collective emotions if something happens that influences the status of their shared concern.

These collective emotions induce the production of relational goods, and the business of football can now try to monetize these relational goods.

I claim that football monetizes these relational goods, e.g. the good *social identity*, by presenting itself as a social comparison between different social groups. Thereby, football contributes to the aim of differentiating one's own in-group from a relevant out-group and achieving or maintaining superiority over this out-group. To explain this in more detail, we have to refer once more to Tajfel & Turner (1986, 16–17) who suggest that there are three conditions for intergroup differentiation to work in concrete social situations:

> First, individuals must have internalized their group membership as an aspect of their self-concept: they must be subjectively identified with the relevant in-group. […] Second, the social situation must be such as to allow for intergroup comparisons that enable the selection and evaluation of the relevant relational attributes. Not all between-group differences have evaluative significance […]. […] Third, in-groups do not compare themselves with every cognitively available out-group: the out-group must be perceived as a relevant comparison group. Similarity, proximity, and situational salience are among the variables that determine out-group comparability, and pressures toward in-group distinctiveness should increase as a function of this comparability. (Tajfel and Turner 1986, 16–17)

The first condition is very similar to what we have said about the shared concern of caring about a specific football club. I suppose that this is some kind of precondition for every attempt to earn money with football. If people do not care about football and do not identify with a club, it is hard to earn money with this sport. Football clubs can contribute to people's identification with the club in several ways that will not be discussed here in detail, such as cultivating a certain image or establishing some kind of brand.[16]

With respect to conditions 2 and 3, I claim that professional football creates an affective arrangement which ensures that these conditions are met. We have defined an affective arrangement as "a material-discursive formation as part of which affect is patterned, channeled, and modulated in recurrent and repeatable ways" (Slaby, Mühlhoff, and Wüschner 2019, 5). This affective arrangement is not limited to a single sport stadium at a given time during which a match is taking place. The affective arrangement does not end at the exit door of the stadium

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[16] Slogans such as "*Echte Liebe*" ("Real Love", Borussia Dortmund), "*You'll Never Walk Alone*" (FC Liverpool) or *"Més que un club"* ("More than a club", FC Barcelona) are probably apparent examples for football club's attempt to strengthen the identification of the fans.

because every football match is embedded in an institutionalized competition such as a national football league or an international tournament and these competitions relate several matches with each other. Additionally, every match is also embedded in larger narratives and discourses that are transmitted via the media or personal discussions between football fans. In this way, the arrangement brings "multiple actors [different teams, players, coaches, supporters, journalists, etc., S.A.] into a dynamic, orchestrated conjunction, so that these actors' mutual affecting and being affected is the central dimension of the arrangement" (Slaby, Mühlhoff, and Wüschner 2019, 5).

Concerning the social comparisons and the intergroup differentiation, this affective arrangement imparts "evaluative significance" to the between-group differences that are mirrored in a football match. And it determines which social groups are relevant comparison groups. The supporters of SK Rapid Wien do not base the evaluation of their social identity on a comparison neither with handball club THW Kiel (similarity not satisfied) nor with the winner of the African Champions League Wydad Athletic Club from Casablanca (proximity not satisfied). In football, a social comparison is situationally salient if the two social groups play against each other or are direct competitors in a given tournament and so on. To sum up, the affective arrangement created by professional football ensures that it is viewed as a relevant between-group difference which group is able to carry the ball behind the goal line more often than the other group within the existing rules of the game.

In a final step of this argument, I now want to answer the question that I posed in the headline of this section: What does football sell? Football sells, inter alia, occasions to produce relational goods. Football sells access to an affective arrangement in which a specific social comparison is made salient and causes collective emotions which in turn produce (or cultivate) relational goods. The most obvious form of selling access to this affective arrangement is selling tickets for the stadium. However, also selling broadcasting rights to TV stations is a way of selling "mediatized" access to the affective arrangement. In addition to this, we can think of fan merchandise as tools or instruments that intensify or enable the participation in this affective arrangement. All of these revenue sources of football clubs rely, in part, on the relational good "social identity" because people's valuation of a positive social identity and the fact that this identity is influenced by what is happening on the football pitch is one of the main reasons why people are prepared to pay money for stadium tickets, pay TV subscriptions or fan merchandise. Hence, football is monetizing relational goods in this way.

The example of social identity in the sense of Tajfel & Turner (1986) may not be the only way how relational goods that are related to football can arise and can be monetized. Nevertheless, I think it was necessary for the clarity of the argument to reconstruct the whole process from the constitution of a shared concern to the collective emotions, the relational goods and finally, their monetization at least for one specific relational good.

Note that we are confronted with an intricate scenario here. The shared concern is about the very relational good that is produced during this process. People care about their social identity as Borussia Dortmund fans, engage in a social comparison with a different social group, experience emotions and the interplay of social comparison and emotions produces a relational good. Probably, the term *produce* is not very suitable for this case because it insinuates that something new is created that has not been there before. However, similarly to the relational good *friendship,* a (positive) *social identity* is not something we repeatedly create from scratch but rather something we cultivate over a longer period of time. Hence, I do not think that it is in some way circular to say that the shared concern about a social identity is the basis of collective emotions that produce/cultivate the relational good social identity.

3.4.1.1 The Interested But Not Emotionally Invested Spectator

I want to briefly address a potential objection that might immediately arise out of what I have claimed in the previous section. What if a person, call him Tom, visits a football match without identifying with a specific club and caring about its (sporting) fate. Tom still pays the ticket price and football is earning money in this case. In fact, there may be a substantial share of spectators in a stadium or in front of the TV set who are, like Tom, only interested but not emotionally invested in the football match. Does this pose a problem to what I have said?

First of all, I have not claimed that providing an occasion to experience collective emotions and to produce relational goods via creating a specific affective arrangement is the only way in which football earns money. Of course, many people watch football games out of mere interest without identifying themselves with one of the competing teams. There are several ways to explain these cases within the framework that I proposed.

First, one could assume that Tom is interested in the match because he identifies himself as a football fan in general, regardless of his partisanship for a specific club. If this is the case, football monetizes relational goods also if it sells a ticket to Tom because it provides an occasion for him to cultivate the relational good social identity.

Second, Tom might visit the stadium because he wants to watch the social comparison that is taking place there, even if he does not identify with one of the competing parties. He might be excited about the intensity and enthusiasm with which people engage in this social comparison and he might enjoy the stirring atmosphere that the home crowd creates in the stadium. Again, football monetizes relational goods in selling a ticket to Tom because people's experience of collective emotions and the production of relational goods is the basis for Tom's "voyeuristic" interest in the football match.

A third strategy to respond to this challenge is to admit that football is indeed *not* monetizing relational goods in the case of the interested but not emotionally invested spectator Tom. What Tom buys when he pays the ticket price might be mere entertainment. However, if he is not completely indifferent between, on the one hand, sitting in an empty stadium or, on the other hand, in a crowded stadium with an impressive atmosphere, the entertainment-benefit that Tom derives from the football match will partly depend on other people's production of relational goods.

Finally, note that the case of the interested but not emotionally invested spectator is of minor relevance for my thesis. The reason for this is that such a spectator will probably not be a member of the collective that experiences episodes of emotional sharing (or other types of collective emotions) due to his lack of identification with a club. He does not share the concern which is the basis for most of the collective emotions experienced throughout the game.

3.4.2 Prescriptive Economic Theory and Relational Goods

Based on the ideas presented in the previous sections, I claim that we can affirm the following question that Gui & Sugden (2005, 2) pose: "Do certain forms of social engagement provide essential inputs to economic processes, and are these not being accounted for in conventional economic analysis?" If the most important revenue sources of football can be described as selling access to an affective arrangement and rely on the relational good *social identity*, we can state that relational goods, i.e. certain forms of social engagement, are essential inputs to economic processes in professional football. And it should have become evident in section 3.3 that conventional economic analysis does not account for relational goods.

It is the aim of this section to explain how this can become problematic. As mentioned in section 3.3.1, I am primarily concerned with microeconomic models that are based on rational choice theory. How can the disregard of relational goods become a problem for these models? I suppose the answer to this question depends on the aim that one assigns to economic models and rational choice theory. Economic theory can be applied for different purposes. It can be used to tell us (1) how we *do* make decisions, (2) how we *will* make decisions or (3) how we *should* make decisions. These can be regarded as the (1) *descriptive,* (2) *predictive* and (3) *normative/prescriptive* interpretations or functions of economic theory. Note that these interpretations do not mutually exclude each other. (Briggs 2019; Knauff and Spohn 2021; Binmore 2015)

If economic theory is seen as a *descriptive* or *predictive* theory, I would have to show that the disregard of relational goods leads to some inaccuracies in the descriptions and predictions provided by economic models. However, I am concerned with economic theory as being a *normative* or *prescriptive* theory because I want to examine the issue of relational goods from the perspective of a decision maker in a certain branch (in this example, professional football) who uses economic theory as a guideline that tells her which decisions maximize utility or profit. Hence, in order to be able to say that the disregard of relational goods is problematic for economic theory in its *prescriptive* interpretation, I have to show that – given the decision makers' aims – she should *not* take those decisions that economic models prescribe. (Briggs 2019)

Take a decision maker X who is endowed with an action set A where {α, β, γ, δ, ε, ...} denote certain actions of this set. X wants to maximize her profit $\pi(\cdot)$ which is dependent on the action she takes. I take π to denote the sum of discounted future profits and not only the profit of the current financial year because this would be a short-sighted perspective. An economic model that does not consider relational goods prescribes action α as being profit maximizing which entails that $\pi(\alpha) \geq \pi(x)$ for all $x \in A_{-\alpha}$. However, if we can now show that an economic model that indeed does take relational goods into account prescribes action β as being profit maximizing and $\pi(\alpha) \geq \pi(x)$ for all $x \in A_{-\alpha}$ does not hold because $\pi(\beta) > \pi(\alpha)$, we can say that the disregard of relational goods in economic theory is problematic because it prescribes the wrong action.

Note that this shows that the different functions of economic models do not exclude each other but are often intertwined. It is because of the descriptive or predictive inaccuracy of an economic model without a consideration of relational goods that it fails to satisfy its normative role. The prescription that action α should be taken derives from an inaccurate prediction/description that the profit is maximized with this action.

3.4.3 The Pragmatic Pathology and the European Super League

After this formal prelude, I will now look at the concrete example of professional football. The "action α" that I take economic models to recommend is part of a persistently intensifying monetization of relational goods in professional football. Although I have abstained from the usage of the term *commodification* with respect to relational goods due to their non-marketable nature, I suppose one can think of this intensifying monetization of relational goods as one aspect of football's *hyper-commodification*. According to Walsh & Giulianotti (2007, 14), the hyper-commodification of a sport involves "the intensification of market understandings and attitudes towards sport itself" and can be characterized with four key features: "the transformation of clubs and systems into corporations, the emergence of large numbers of highly paid sportspeople, the advent of large scale advertising and merchandising in sport and finally the 'venalisation' of the *ethos* of sport" (Walsh and Giulianotti 2007, 14).

There are various candidates for "action α" because the monetization of relational goods in football can take many forms. However, this is not a thesis about the commodification of football or about neoliberalism's influence on this sport. Therefore, I will not elaborate on all these aspects of the monetization of relational goods in football in detail. Instead, I will focus on a very specific action α – namely, founding a Super League – that can easily be contrasted with an action β (not founding a Super League).

In the public debate, the term "Super League" is used to refer to any kind of concept for an exclusive club competition among Europe's best football clubs. This idea gained most attention in April 2021, when a public announcement of 12 leading European football clubs (FC Liverpool, Manchester United, Chelsea, Arsenal, Tottenham, Juventus Turin, AC Milan, Inter Milan, Atlético Madrid, Real Madrid and FC Barcelona) caused upset and outrage across Europe. Under the leadership of Real Madrid's president Florentino Pérez, Juventus Turin's chairman Andrea Agnelli and Manchester United's co-owner Joel Glazer, the foundation of a new international football competition called the European Super League (ESL) was announced. The ESL was planned to be independent of Europe's football association UEFA. (Spiller 2021; Birkner, Haupt, and Honigstein 2021)

To understand the brisance of this move, it is necessary to know how Europe's football competitions are currently structured. Primarily, football clubs compete in their national football leagues which typically run from August until May. Within these competitions they play against a team from their own country every weekend. In addition to this, there are also European-wide competitions which are hosted by UEFA – the UEFA Champions League, UEFA Europa League and UEFA Europa Conference League – where fixtures take place during the week from Tuesday to Thursday but not on a weekly basis. The sporting success of a club in its national football league decides upon its qualification for a European-wide competition in the following season. In this way, the "best" clubs from all over Europe compete in the UEFA-competition and can earn additional prize money.

The attempt to found the ESL challenged this system in many facets. According to the announced plans, the 15 founding members (the 12 clubs mentioned above and 3 other clubs) leave the UEFA club competitions and have a guaranteed seat in the ESL. Five other teams are allowed to qualify for the ESL on an annual basis. Without the continent's leading clubs, the UEFA competition would lose a lot of its attraction and advertisement value which would reduce the revenues of those clubs that cannot participate in the ESL. Although the founding members stay in their respective national leagues, sporting success in these leagues would be irrelevant for their qualification for the ESL because they have a fixed seat. This could also reduce the attraction of the national leagues. (Spiller 2021)

In financial terms, the ESL-clubs wanted to enter completely new dimensions: At the very beginning, the founding members would split up €3.25 billion which amounts to €215 million per club. Later on, an annual starting bonus of €100 million for each club would be disbursed, with more prize money depending on the club's success in the ESL to come. In comparison to this, the *winner* of UEFA's most important competition, the Champions League, receives €130 million, the starting bonus amounts to €15 million. These enormous amounts of money deployed by the ESL should be generated by lucrative advertisement and TV deals for the new competition. (Spiller 2021; Soyke 2022)

However, this first draft of a new football competition did not survive for more than 48 hours because "after an extraordinary day of threats, political posturing and livid fan protests" (Fifield and Lee 2021) the clubs withdraw one after another from the foundation of the ESL. Nevertheless, the impact on the football world was enormous, as Taylor & Crafton (2021) write: "Fans are in uproar. Shirts have been burned. Relationships have been damaged and, in some cases, wrecked. Has there ever been a more baffling, crude, duplicitous, political, scheming, unsatisfactory, cynical, divisive week in the history of the sport?" In February 2023, almost two years after the failed initial launch, a new modified proposal for a Super League was presented (The

Athletic UK Staff 2023). At the time this thesis is written, the future of an exclusive international competition among Europe's elite football clubs – typically referred to as a Super League – is uncertain.

I suppose there is a lot to learn from the story of the ESL for the issue of relational goods because it was, in part, a disregard of relational goods that led to the enormous protests that caused the downfall of the initial project. But, how exactly would any similar form of Super League affect the monetization of relational goods in football?

Let me repeat what I have claimed in section 3.4.1: Football is monetizing relational goods by selling access to an affective arrangement that makes salient a certain social comparison and fosters collective emotions that produce relational goods. A precondition for this process is people's social identification as fans of a certain football club. This social identity is a relational good and is cultivated during this process. Although the story of the ESL lays bare many developments within the "hyper-commodification" of football, I will focus on two aspects of how it affected the monetization of relational goods in football or would have done so had it been implemented as planned: by increasing the (financial) inequality between elite football clubs and the rest of the football world, and by alienating fans from their clubs. These were also the core allegations that fans, football officials, former football players, and even politicians made against the potential founders of the ESL.

First, with the new competition in place, inequality between the elite clubs and the rest of the football world would increase even more if the founding members received the predicted payments from the Super League. In football, financial inequality typically translates into sporting inequality and leads to lopsided competitions because wealthy clubs can employ the best players and managers, earn prize money by winning titles and can reinvest this money again. Attempts to mitigate the influence of market power on sporting success via financial rules, such as UEFA's Financial Fair Play, have not worked very well until now. The Super League teams could use the money to pimp their squads and dominate the national leagues even more than they did in recent years. There is already a monotony in most of Europe's national leagues with only a few wealthy clubs being able to compete for the title.[17] It can be expected that the

[17] For instance, Bayern Munich has won the German Bundesliga ten times in a row from 2013 to 2022. Since FC Valencia's victory in 2004 only three teams – FC Barcelona (10), Real Madrid (6) and Atlético Madrid (2) – have won the Spanish La Liga.

implementation of a Super League would further amplify sporting inequality. (Spiller 2021; Walsh and Giulianotti 2007, 107–19)

Second, although the founders promised some “solidarity payments” for the clubs that will not participate in the ESL, it was seen as an elite project of the super-rich that betrays the values and character of football. (Liew 2021) In an official statement, Arsenal London supporters said that the ESL “represents the death of everything football should be about” (L. Taylor 2021). FC Liverpool fan representatives were appalled and completely opposed by this decision and accused the club owners of having “ignored fans in their relentless and greedy pursuit of money” (L. Taylor 2021). Statements of other fan representatives read similarly and show that fans harshly reject a project of this type and did not want to identify with a club playing in a closed elite competition. One can interpret this as the opposite of an identification with the club, namely, as an “alienation” (Cleland et al. 2018, 24) of the fans from their clubs.

These two anticipated effects of the introduction of a Super League both threaten the monetization of relational goods in football as I have characterized it because they impede the experience of collective emotions that would produce (or cultivate) the respective relational goods. With respect to the second point, it should be apparent how this undermines monetization. For the monetization process to work, “individuals must have internalized their group membership as an aspect of their self-concept: they must be subjectively identified with the relevant ingroup” (Tajfel and Turner 1986, 16). People’s social identity as fans of a football club is the basis of the football business’ very existence. Kennedy & Kennedy (2016, 27) make a similar diagnosis: “The massive expansion in football finances is driven, directly and indirectly, by the commercial exploitation of a ‘brand loyalty’ that generates money from fan allegiance to football clubs nurtured over generations.” If football supporters do not identify with the club anymore, there is no shared concern based on which collective emotions can arise and relational goods can be produced. Football would have problems to find someone who is willing to pay a substantial amount of money for gaining access to the affective arrangement that is offered.

Concerning the issue of financial inequality, keep in mind that one way of monetizing relational goods relies on football competitions being conceived as social comparisons that elicit collective emotions. According to Tajfel & Turner (1986, 16–17), social groups “do not compare themselves with every cognitively available out-group: the out-group must be perceived as a relevant comparison group”. We could also say that the social comparison must be meaningful.

Financial inequality and the resulting inequality in sporting success between football clubs creates a status difference. Taken on its own, such a "status difference between groups does not reduce the meaningfulness of comparison between them providing that there is a perception that *it can be changed*" (Tajfel and Turner 1986, 22). However, this perception is lost if a few elite clubs have such a high market power that they dominate their opponents easily. "If many fans do not believe that their clubs have a genuinely realistic chance of winning, then they are less likely to be as interested in the competition than they might otherwise have been" (Walsh and Giulianotti 2007, 112).

By increasing the financial inequality between clubs, a Super League would reduce "the 'uncertainty of outcome' that is an essential feature of a good competition" (Walsh and Giulianotti 2007, 112) in the national football leagues. From the perspective of the non-Super-League-clubs, the elite clubs would not be relevant comparison groups anymore and the social comparison within the national football leagues would cease to be meaningful. The only meaningful comparison that could now take place is between the elite clubs in the Super League. However, as I have indicated above, fans would potentially alienate from these clubs. So, for many current football supporters a Super League would also not be a meaningful social comparison because they do not consider themselves belonging to some of the in-groups that is competing there.

Let me now summarize what I take this to show. I claim that the potential foundation of the ESL or of any other similar exclusive elite club competition (a Super League) is an action that ordinary economic models, interpreted in their prescriptive function, recommend. If one considers only the monetary aspects of this action, it presents itself as quite attractive from the perspective of the club officials. A decision maker who governs one of Europe's elite clubs will welcome the prospects of frequent exciting games against other elite clubs that have a high advertisement value, of additional prize money from the Super League and so on. Rational choice theory in its common form would deem the action α "founding a Super League" as profit-maximizing and rational.

However, if one also considers the role that relational goods play in this business, one could without great ingenuity expect that the action in question will affect the relational goods adversely. An adequate economic model that also takes relational goods into account would probably deem action β "not founding a Super League" as profit-maximizing or at least, the model-would indicate that the matter is not as clear as it might seem according to traditional economic theory.

I claim that the example of the ESL shows that there are decision situations in which traditional economic models that ignore relational goods would recommend an *irrational* action that is prone to backfire. If decision makers in businesses that are influenced significantly by relational goods do thoughtlessly rely on traditional economic models they "might 'score an own goal' and undermine the basis of their own profitability" (Walsh and Giulianotti 2007, 118). Walsh and Giulianotti (2007) call this the Pragmatic Pathology of the commodification of football – but this problem can pertain to other businesses, too.

Note that I do not make any claim with respect to how regularly this happens and how we can determine those businesses for which this is a relevant concern. "The point is simply to demonstrate how sometimes […] the pursuit of profits can ultimately be self-defeating" if relational goods are disregarded. I suppose that developing economic models that account for relational goods can help to evade this danger. Although it is not the aim of this thesis to present specific methodological concepts, I will briefly point to some approaches of how we could try to incorporate relational goods into economic models in the final section.

3.5 Approaches to Incorporate Relational Goods into Economic Models

The unit with which economic models typically operate is money. Hence, in order to incorporate something into an economic model, it is usually necessary to assign a monetary value to this entity. As I have already indicated in section 3.4.1, this is not a trivial task with respect to relational goods because they do not possess a specific market price that we can use for our calculations. In fact, "[r]elatively little is known […] about the economic value of relational goods" (Stanca 2016, 484). However, there are two main approaches in the literature for measuring the monetary value of relational goods. (Stanca 2016)

The first one is the Hedonic Price method. This method is based on a spatial equilibrium model which assumes that agents' location decisions reveal their preferences for the level of amenities and dis-amenities present in a certain area. The concept of amenities applied here seems to be a very broad one and I take it to refer to any location-specific characteristic that influences a person's well-being, e.g. the climate, socio-economic conditions, the quality and reliability of public services and so on. If a certain area provides better amenities of any sort, "households are willing to pay higher housing prices, or accept lower wages […]. Monetary valuations of local amenities can therefore be obtained from the marginal response of housing prices and wages to the presence of specific local amenities or dis-amenities." (Stanca 2016, 486)

If one interprets relational goods as being in some way tied to local characteristics, e.g. because some areas provide more and better opportunities to produce relational goods than others, one can use the method to estimate the monetary value of certain relational goods. Colombo & Stanca (2014, 78) have undertaken such an attempt "by focusing on three domains: frequency of time spent with friends, active participation in associations, and frequency of going out for leisure activities". To sum up, the Hedonic Price method estimates the monetary value of relational goods "by looking at the effects of relational amenities on house price and wage differentials across cities, while controlling for the effects of other relevant amenities" (Stanca 2016, 488).

Second, there is the Life Satisfaction Approach (LSA) which is also used to measure the economic value of environmental goods and other non-market goods. The underlying assumption of this approach is that self-reported life satisfaction is an adequate proxy for subjective well-being in terms of individual utility. In this approach, self-reported life satisfaction gained from large surveys "is modelled as a function of local amenities, while controlling for individual socio-demographic and economic characteristics. The resulting estimates are used to obtain a valuation of amenities in terms of well-being." (Stanca 2016, 490) From this, one can derive a monetary value of relational goods from the marginal rate of substitutions between income and relational amenities. This rate of substitutions indicates which amount of money the agent in question is prepared to sacrifice in favor of an additional unit of relational amenities. (Stanca 2016, 490–93; Corsi, Frontuto, and Novelli 2022, 246–47)

Of course, there are severe limitations to these methods. For instance, Stanca (2016) does not offer an explanation of how we should conceive of the connection between relational amenities – characteristics of certain areas that contribute to the production of relational goods – and relational goods. He seems to use these terms interchangeably. However, I think it is slightly questionable to assume that if we measure the monetary valuation of a relational amenity, we also measure the value of the relational goods that are produced in connection with this amenity. Another drawback of the Hedonic Price method is that it relies on the assumption of spatial equilibrium which is rarely met in practice. Concerning the LSA, it can be criticized that self-reported well-being is subject to various cognitive biases and thus, is not an appropriate proxy for individual utility. (Stanca 2016, 493–94)

In section 3.1, I have characterized relational goods as public goods. This suggests that, in some contexts, relational goods could perhaps be modelled as a commons. This term was most famously coined by Hardin (1968) and Ostrom (2015) and „can be used to refer to a broad set of resources, natural and cultural, that are shared by many people" (International Association for the Study of the Commons n.d.). Especially, the relational good *social identity* is shared by many people and maintained collectively. Maybe, thinking of it as a commons could deliver fruitful insights for economic modelers. For instance, Corsi, Frontuto & Novelli (2022, 247) "consider the relational good in itself a stock, and […] measure the flow of benefit that stems from enjoying it in a single further […] occasion". *Stock* and *flow* are terms that Ostrom (2015, 30) uses as well.

Certainly, there is not one perfect approach to incorporate relational goods into economic models. Different approaches will fare better or worse depending on the role that relational goods play within a certain business. Are relational goods inputs within the production process of this branch? Are they a kind of additional benefit that arises as a side-effect of a main activity that is sold? Are they – as I have argued in the case of social identity in football – a precondition for making profit in this business? Or are they something else? Depending on how one answers these questions, some approaches will be more appropriate than others. However, I hope to have convinced the reader throughout this thesis that economists can benefit from incurring this complicated task of incorporating relational goods into economic models because otherwise they risk prescribing inefficient decisions.

Conclusion

Starting from the initial question what is sold in large audience activities, I elaborated on two important philosophical concepts: collective emotions and relational goods. One of the major claims of this thesis is that collective emotions and relational goods are closely connected. This connection is illustrated best in audience activities such as cultural or sports events because they are paradigmatic examples of both the experience of collective emotions and relational goods.

Based on the work of Thonhauser (2022), I presented *emotional sharing* as one special type of collective emotion that I take to be present in football games and theatre performances – the two examples that guide the reasoning of this thesis. I defined relational goods as intangible entities that account for the benefits we derive from the communicative/affective side of interpersonal relationships (Gui 2000; 2005). Following Sugden (2005), I argued that one way of "producing" these relational goods is by becoming conscious of a correspondence of sentiments. This indicates that collective emotions regularly precede the production of relational goods and that these two concepts are intertwined. In addition to this, I claimed that episodes of emotional sharing are (direct-contact) relational goods in themselves.

The reasoning in the first two chapters of this thesis leads to a tentative answer to the initial question: One of the "products" that is sold in large audience activities is the occasion to experience collective emotions and to produce relational goods.

Typically, businesses aim to earn profit by selling their products. This leads to the question of how one can make profit based on relational goods. I have called this attempt to earn money based on relational goods the *monetization* of relational goods and dedicated the third chapter to the enquiry of this process.

Decision-makers in various economic branches regularly rely on economic models within their strive for making monetary profit. However, economic models do not account for the interpersonal dimensions of our economic life, i.e. for relational goods. Can that turn into a problem for economic theory? With the example of football at hand, I argued that this can be the case. There are branches, like professional football, in which relational goods play an essential role. The fact that these goods are not considered in conventional economic theory "may severely limit economic analysis and curtail the validity" (Becchetti, Pelloni, and Rossetti 2008, 344) of the recommendations derived from its models. Hence, I conclude that economic models might misguide decision-makers in these branches.

Economic theory should be aware of the possibility that relational goods significantly influence certain business models. In these cases, applying conventional economic models that neglect relational goods may promote inefficiencies by prescribing decisions that are detrimental to relational goods via impeding the experience of collective emotions.

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Appendix

Abstract (English)

This thesis is concerned with the connection between collective emotions and relational goods. Collective emotions are emotions that are experienced by a group of sufficiently integrated people. There are many types of collective emotions, e.g. *emotional sharing* as defined by Gerhard Thonhauser (2022). Relational goods are taken to be intangible entities that account for the benefits we derive from interpersonal relationships. Following the work of Robert Sugden (2005), it is argued that one way of producing relational goods is by becoming conscious of a correspondence of sentiments, i.e. a correspondence between my own affective responses and those of other people. Hence, this thesis claims that collective emotions and relational goods are closely connected, and episodes of *emotional sharing* can be regarded as relational goods in themselves. Large audience events such as theatre performances or sports events illustrate this connection vividly and they show that there are businesses that attempt to make monetary profit based on relational goods. This is called the *monetization* of relational goods. However, these goods are typically not considered in conventional economic analysis. Based on the example of professional football, this thesis argues that if economic theory continues to neglect relational goods in their models, it risks prescribing inefficient decisions in certain economic branches where relational goods play an important role.

Abstract (Deutsch)

Die vorliegende Arbeit befasst sich mit dem Zusammenhang zwischen kollektiven Emotionen und *relational goods*. Als kollektive Emotionen bezeichnet man Emotionen, die eine Gruppe von Menschen gemeinsam erlebt. Es gibt verschiedene Arten von kollektiven Emotionen, z.B. *emotional sharing* gemäß der Konzeption von Gerhard Thonhauser (2022). Unter dem Begriff *relational goods* werden immaterielle Entitäten verstanden, die den Nutzen erfassen, den wir aus zwischenmenschlichen Beziehungen ziehen. In Anlehnung an die Arbeit von Robert Sugden (2005) wird argumentiert, dass eine Möglichkeit zur Produktion von *relational goods* darin besteht, sich einer *correspondence of sentiments*, also einer Übereinstimmung der eigenen Gefühle mit denen anderer Personen, bewusst zu werden. Daher wird in dieser Arbeit behauptet, dass kollektive Emotionen und *relational goods* eng miteinander verbunden sind und dass

Episoden von *emotional sharing* als *relational goods* betrachtet werden können. Veranstaltungen vor großem Publikum wie Theateraufführungen oder Sportereignisse verdeutlichen diesen Zusammenhang anschaulich und zeigen, dass es Geschäftszweige gibt, die versuchen, auf Basis von *relational goods* monetären Gewinn zu erzielen. Dies wird als Monetarisierung von *relational goods* bezeichnet. Allerdings werden diese Güter in der herkömmlichen ökonomischen Theorie in der Regel nicht berücksichtigt. Am Beispiel des Profifußballs wird in dieser Arbeit argumentiert, dass die ökonomische Theorie, wenn sie *relational goods* in ihren Modellen weiterhin vernachlässigt, Gefahr läuft, in bestimmten Wirtschaftszweigen, in denen *relational goods* eine wichtige Rolle spielen, ineffiziente Entscheidungen vorzuschreiben.