

Three Forms of Friendship in the Market

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This article examines the possibility of friendship in commercial society. While the literature surrounding friendship in the market is growing, it has not adopted a common definition of friendship, and thus often addresses varying forms of friendship. To clarify this debate, we employ Aristotle's three forms of friendship—utility, pleasure, and the highest form—which helps to analyze the viability of these different forms of friendships in the market. From our analysis, we argue that the lower forms of friendship (utility and pleasure) can and often do develop in the market, though the highest form of friendship is less likely but is still possible in the market. Using existing academic literature and novel survey evidence, we analyze the potential of each form of friendship in the market to understand how possible these friendships are within market spaces.

Introduction

The market is a space in which individuals act, cooperate, and compete for scarce resources. It is also a social space where meaningful social interactions occur, where individuals develop deep social bonds, and where commercial friendships develop. Allan Silver, for instance, relying on arguments from Adam Smith and David Hume, argued that commercial society promotes friendship, and that commercial society is in fact necessary for the formation of superior, deep friendships because commercial society affords us more time and leisure to form deep friendships that are not merely for profit.¹ Neera K. Badhwar concurred that commercial society helps rather than hinders friendship. She argued

that although markets themselves may be instrumental, the actors within such commercial friendships are not necessarily instrumental; rather than cheapening, the market order aids deep friendships.²

While markets facilitate a type of conversation where market participants speak to one another via the impersonal mechanism of the price system,³ they can also facilitate meaningful conversations and connections.⁴ That is, Virgil Henry Storr emphasized that markets are social spaces in which individuals can form friendships. Markets, Storr argued, also facilitate deeper conversations: “conversations that express more than bid-ask; conversations that aren’t just bartering and negotiations; conversations between socially bonded market participants concerned with more than simply making a deal.”⁵

Although there is now a burgeoning literature on commercial friendships, there is nothing like a consensus regarding the relationship between markets and sociality or regarding the nature or depth of the commercial friendships that can and do develop. Robert Putnam, for instance, in his seminal work *Bowling Alone*, argued that commercial society corrodes social capital, because its populace is generally overworked, and technological advances offer alternatives to socializing. Although Putnam believed that friendships can form within markets, he maintained that these commercial friendships are inferior to the friendships that form in other settings. As Putnam wrote, “many people form rewarding friendships at work, feel a sense of community among coworkers, and enjoy norms of mutual help and reciprocity on the job.”⁶ But, while these workplace friendships can be substitutes for friendships that develop elsewhere, he nonetheless worried that social bonds formed in the workplace “tend to be casual and enjoyable, but not intimate and deeply supportive.”⁷ Others have argued along similar lines.⁸

The debate over the possibility and potential of commercial friendships is, thus, a robust and unsettled one. Are commercial friendships possible? If possible, which form do they take? Can markets foster the development of friends that are as deep, as genuine, as meaningful, as friends that develop in other settings? Are commercial friendships inferior to childhood friendships, or school-based friendships, church-centered friendships, or friendships between neighbors or the members of a social club?

The literature is divided along clear lines. The market is said to either promote a commoditization of the higher pleasures (such as friendship) or to provide the basis for and even to encourage the high pleasures. There is, however, a sense in which all the different sides of the debate are talking past each other, as they do not all maintain the same definition of friendship. Commercial society may hinder some forms of friendship but encourage others. Deploying clear definitions of friendship helps to sharpen the differences between those who suggest

that markets promote (true) friendship and those who argue that markets either undermine (true) friendship or promote an inferior form of friendship.

To help clarify the debate and define friendship, this article examines this issue through an Aristotelian lens, employing in the first section Aristotle's three forms of friendship—utility, pleasure, and the highest form. We examine each of these, in turn, and discuss whether markets help or hinder the development of each of these forms of friendship. Engaging Aristotle's *Nicomachean Ethics* is helpful because it offers us a grammar of friendship that might advance or at least clarify this debate. To examine each form of friendship in the marketplace and whether it is a viable outcome in a market setting, we examine both existing literature and novel survey results.⁹

There has been an extensive literature that directly or indirectly discusses Aristotle's view of the morality of market activity. For example, Dotan Leshem argued that Aristotle believed the market aroused excessive desires in human beings for material wealth, which posed a mortal threat to the city-state.¹⁰ In other words, Aristotle put forth the concept that unnatural wealth-getting could bring about unvirtuous sentiments in many people, once the popularity of wealth-seeking for itself became in popular fashion. This would, Aristotle argued, destroy the political institution that so dearly needed virtuous citizens to survive. Similarly, Lewis made the case that Aristotle saw the market and virtue as incompatible, because markets brought about a type of anxiety or stress that counteracted virtuous sentiments.¹¹ Additionally, Finley reminded us of course that Aristotle viewed wealth-seeking as only a means to an end, and immoral or "against nature" to be sought as an end itself.¹² And in this same line of reasoning, Blaug discussed Aristotle's dichotomy between natural and unnatural wealth-acquiring.¹³ Of course, the natural occurs when one is attempting to reach some virtuous end, while the unnatural occurs when wealth is sought for itself.

Although there is a robust literature discussing Aristotle's views of the morality of market activity, there are no studies (to our knowledge) deploying Aristotle's grammar of friendship to explore the potential and nature of market friendships. We find that the lower forms of friendship (utility and pleasure) are more likely to develop in markets, though the highest form of friendship is less likely but still possible in market settings. For the highest form of friendship to be possible in the market, virtuous people must be able to sustain their virtue while engaging in market activity. Moreover, virtuous people must be able to meet each other in the market and sustain a friendship within the market. We conclude that the first two forms of friendship (of utility and of pleasure) are viable within the market and, indeed, strengthened by it. The latter form is a mixed case, on Aristotelian terms. In the second section, we provide an overview of Aristotle's grammar of

friendship. In the third section, we present evidence, including from our own survey, to examine whether these forms of friendship are likely or not likely in the market.

Aristotle's Three Forms of Friendship

In his *Nicomachean Ethics*, Aristotle identified three types of friendship: that of utility, of pleasure, and the highest of all, which is the most complete and beautiful kind of friendship to Aristotle.¹⁴ Each has its appropriate place, and Aristotle never argued that any one form is *per se* bad. While the first two forms—utility and pleasure—are not as complete or perfect as the third form of friendship,¹⁵ Aristotle did not believe they are useless; they are merely deficient of complete virtue.

The first type of friendship Aristotle discussed is that based on utility. “Those who love for what is useful,” claimed Aristotle, “have a liking based on what is good for themselves.”¹⁶ This friendship revolves around what is useful, or what one can get from the other. There is no necessity for ill will within this relationship; it is rather a relationship that would not exist if one did not get utility or usefulness from the other. As Lorraine Smith Pangle described it, “each loves each other person only incidentally, or rather, he does not precisely love the other person at all but only his own good.”¹⁷ The friendship based on utility, thus, focuses on what is advantageous or brings usefulness. Moreover, John M. Cooper detailed how a friend of utility “would want and be willing to try to secure what his friend needed, in order that his friend might continue to be in a position, or be better able, to see to his needs in due course.”¹⁸ In other words, this friendship is like a business partnership: it is a transactional relationship where one or both parties receive some sort of benefit.

Those within a friendship of pleasure, the second friendship Aristotle detailed, have a “love for pleasure and have a liking based on what is pleasant to themselves, and the other person is loved not for what he is, but insofar as he is . . . pleasant.”¹⁹ This friendship is particularly present in younger people because they are more “lustful” and often driven more by emotion and less by reason, as compared to their elderly counterparts.²⁰ Aristotle said that those in a pleasurable friendship “live in accord with feeling, and pursue especially what is pleasant to themselves and present at hand.”²¹ This friendship aims at fun, lustful, or generally low forms of pleasure, and it seeks to satisfy transient desires, but it aims at nothing higher. As Pangle understood it, those who were driven by emotions or desires typified these relationships. “More importantly,” she explained, “friendships of pleasure are sought for their own sakes. . . . [T]he sharing of pleasures gives life

a sweetness that can be attained in no other way.”²² This friendship, thus, aims at something one can only attain through the help of another.

Aristotle, then, described the most complete, most beautiful form of friendship, or the highest form of friendship. This sort of friendship does indeed include utility and pleasure, but rather than being base understandings of utility and pleasure, these types of utility and pleasure are higher, and are sought for the friendship itself. This sort of friendship

is that between people who are good and are alike in virtue, since they wish for good, and they are good in themselves. And those who wish for good things for their friends for their own sake are friends most of all, since they are that way for themselves and not incidentally . . . and the virtue is enduring.²³

The end of this relationship is the friendship itself. With two completely virtuous friends, each seeks the loveliness and happiness of the other; in other words, each seeks the completeness of the other and can aid in this habituation of soul and character. As Pangle described it, these friendships “provide the highest benefits to both partners, supporting them above all in moral virtue and learning.”²⁴ Robert Sokolowski understood this phenomenon as where “practical reason is shared among friends.”²⁵ He continued,

To be capable of being a friend in the primary and noble sense, a person must be courageous, temperate, and generous, and also just. He must also be proud in the sense of being aware of his own virtue and confident in it. The more virtuous we are, the more we are able to excel in friendship; the less virtuous we are, the less we are capable of being true friends with other people. To be able to engage in true human friendship is the highest moral condition.²⁶

This type of friendship is enduring because complete virtue is stable. The active condition of the soul takes time to perfect: one must actively choose, for the right reasons, virtuous action over and over again until he reaches a stable condition of his soul. In other words, as Aristotle saw it, the active conditioning of one’s soul is an ongoing activity.

To be clear, though, we interpret these friendships as ideal types. Any actual, real-world friendship is likely to have elements of at least two, if not all three forms present. In other words, it may be difficult in practice to tell the difference between these forms. For example, a friendship may begin as a business partnership, or of one of utility, but then blossom into a friendship of pleasure or of virtue. One could imagine evolutions from one form of friendship to another, or even devolutions from the friendship of virtue to another form.

However, if we were to strictly distinguish between the forms, we would generally see a friendship of utility established if the material ends two friends receive from participating in such a friendship is a condition for their participating in the friendship. It is likely that these are going to be formal or informal business relationships because they deal with such material ends. A friendship of pleasure is likely to be comprised of younger individuals, and their ends sought are typically lower forms of pleasure. We could recognize this form if the ends sought were base, yet there was no ill will toward the other, and the friends looked forward to interacting for their own sake (and not for the sake of some material ends). And the highest form is likely characterized by mature, wiser friends who seek ultimate virtue.²⁷

This grammar of friendships offered by Aristotle better positions us to explore (1) whether or not markets foster or inhibit the formation of friendships and (2) which kinds of friendships, if any, that markets are likely to promote. In addition, this discussion may help us examine some of the implications of Aristotle's view of markets and morality.

Three Propositions on Aristotelian Market Friendships

Given Aristotle's grammar of friendship that we discussed above, we defend three propositions regarding an Aristotelian view of market friendships:

1. Market relationships can be characterized as Aristotelian friendships of utility. These friendships can become overlaid with social content and can be characterized by trust and reciprocity even when they do not spill over into other social settings.
2. Aristotle's friendships of pleasure often depend on and can be deepened within markets. The development and maintenance of these friendships are aided by the goods, services, experiences, and technology that are provided within markets.
3. Aristotelian highest order friendships are likely to be quite rare in all settings. Moreover, they are only possible in markets if markets do not corrupt our morals. While we have a view of the moral potential of markets,²⁸ the extant literature on whether markets promote or undermine virtue is mixed. Even if Aristotelian highest order friendships are less likely and perhaps improbable in markets, this does not mean that market friendships are not likely to be as deep and meaningful as friendships formed in other settings.

The first two Aristotelian friendships, those of utility and of pleasure, are obvious candidates for relationships that are possible (and even likely) in the market. The third type of friendship is less likely in markets and is only possible if markets are truly moral spaces.

On Aristotelian Friendships of Utility in the Market

Although friendships of utility develop in markets because of the economic benefits that flow as a result of maintaining them (as we argue below), there is a sense in which their very reason for being is exactly what some scholars find wrong with them.²⁹ Indeed, some scholars have argued that the sphere of the market encroaches upon and commodifies friendships. For instance, Gudeman detailed, “As the market develops and the drive for profit expands, the corporation takes over the space of the house, pushing it to the periphery physically, in everyday functions, and in competitive production.”³⁰ And further, Gudeman noted that “when capital expands, we often find the debasement of community as its values evaporate in support of the market.”³¹ By implication, Gudeman seemed to argue that it is the business world, or the endless search for profit, that deteriorates the communal and familial space. That is, the very existence of a friendship of utility, or one based in business, is problematic to the communal sphere. If the friendship of utility simply commodifies friendships in the literal sense, where business partners put a price on the friendship and only engage with one another when it makes economic sense to do so, the concern would be that it undermines the very essence of friendship.

Here, we argue that Aristotle can help to clarify this debate. Recall that Aristotle acknowledged that this form of friendship will exist, and he never believed that friendships of utility were an inherently bad form of friendship, even if they were lacking in full virtue. These friends simply seek some sort of gain for oneself that they cannot achieve on their own but must do with the help of someone else. And as we will discuss below, this type of friendship provides many benefits such as decreased transaction costs and the possibility of turning those who might have been enemies into friends. We acknowledge that other forms of friendship may be undermined or corroded through the market process. But it is undeniable that markets can (and do) generate friendships of utility and that societies that allow markets to operate more freely/unhindered can (and do) achieve higher levels of social coordination compared to those societies where markets are more constrained.³² Our argument here is not that markets *never* corrode or undermine any type of friendship. Our contention is instead with the claim that markets commodify such relationships *because* markets bring about higher social coordination relative to other economic systems.³³

Friendships of utility are present in markets simply because markets make it easier for people to freely trade and interact with each other, as compared to an economy closed to trade or to a strict autarky. In fact, what we typically describe as a cooperative economic activity might be properly regarded as a friendship of utility. The relationship between Robinson Crusoe and Friday is paradigmatic in this regard. As James Buchanan described, “Crusoe, if he chooses to avoid pure conflict, and if he realizes that Friday’s interests are likely to be different from his own, will recognize that mutual gains can be secured through cooperative endeavor, that is, through exchange or trade.”³⁴ Thus, Crusoe and Friday can *both* benefit through cooperative exchange. What Buchanan is discussing here, though perhaps not intentionally, is a friendship of utility. Crusoe and Friday could choose other ways to interact, whether it is through mutual destruction or by simply ignoring each other, but both become better off through the friendship of utility and interacting amicably to exchange.

On this point, our survey results found that of the places people meet their friends, most responded that they meet their friends at work. Specifically, 25 percent of respondents said they meet friends at work, with universities being the second-highest answer, at 19 percent. We also asked respondents if they considered at least one person at work to be a friend, and 77 percent answered affirmatively. Similarly, on a scale of 1.0 to 5.0, we asked participants to rank how close they are with friends from different life settings (e.g., childhood, college, social activities, work, religious establishments) and the highest-ranked category was friends from work, with a mean score of 3.36 (where 3 = “Moderately close” and 4 = “Very close”). Moreover, respondents also noted work as a place where they “deepen friendships,” ranking highest at 19 percent, with bars and restaurants second highest, at 17 percent. And on a scale from 1.0 to 4.0, with 1.0 being the least and 4.0 being the most, the survey asked respondents how important work friends are, and the mean score from the survey was just above 3.0, meaning work friends seem very important to respondents. We also asked about *best* friends at work. We asked participants if their work best friends were also their overall life best friend (i.e., a best friend in all settings, not just work) and the response was nearly 60 percent who answered affirmatively. It seems clear that these friendships of utility do indeed become overlaid with social content.

Moreover, like other forms of friendship, friendships of utility between coworkers or business partners may become overlaid with social content³⁵ and may become characterized by trust and reciprocity, where coworkers and business associates come to trust and genuinely want to help each other more as they interact more.³⁶ The more one transacts with another, the more likely one gains the trust of the other, and thus the stronger the friendship of utility becomes.

Interestingly, this line of reasoning seems directly contradictory with the line of reasoning that details how the market space commodifies higher order goods. That is, it seems that friendships of utility, rather than commodifying social and familial life, may make at least some kinds of social bonds stronger. David M. Kreps et al., Drew Fudenberg and Eric Maskin, Dilip Abreu, and Partha Dasgupta discussed how repeated interactions with one another often leads to heightened mutual trust and cooperation: A friendship of utility can be strengthened through heightened trust from repeated market dealings.³⁷ Additionally, market friendships of utility also reduce transaction costs; market friendships can lower contracting costs because accounting for various contingences, malfeasance, cheating, and other potential wrongdoing becomes less necessary (but not unnecessary) in the context of a friendship of utility.³⁸

Important to this argument is the understanding that friendships of utility (and all forms of friendship) exist on a continuum. Yim, Tse, and Chan present a continuum on which different activities between buyers and sellers are present, depending upon how conducive the activities are for the development of commercial friendships.³⁹ For instance, fast food restaurants are more “transactional,” in that they rely less on personal connection and intimacy, and hair salons are more “relational,” in that they rely more on personal connection and intimacy. These two typified businesses resemble two ends of a “transactional-relational” continuum. In this sense, the commercial friendship formed between a hair stylist and a client tends to resemble a friendship of utility, because it involves repeated transactions and the potential for trust and social content to develop. On the other hand, “transactional” relationships between a cashier and a hungry customer tend to be a one-off event, with little to no repeated interactions.⁴⁰ A “transactional” exchange tends to be a one-off encounter whereas a more “relational” exchange tends to be part of an ongoing relationship that may last for weeks, months, or even years. This continuum suggests that some commercial contexts can be more conducive to the development of friendships than others.⁴¹

Recall that markets, which are not merely sterile environments but instead places overlaid with social content, allow for the ability to form friendships.⁴² Thus, a friendship between coworkers arises due to the existence of the firm, which arises to bring products to market that consumers demand. In other words, these friendships arise from the existence of markets, and further, they need not involve a market interaction (e.g., exchange of labor for wages) to be market friendships. Instead, the important distinction here is that markets are social spaces that allow for not only buying and selling, but also for interactions in this space to become overlaid with social content.⁴³ For instance, Emily Chamlee-Wright⁴⁴ and Gracia Clark⁴⁵ study large open-air markets in Ghana, where women with stalls next to

each other often become close friends and even form familial bonds, taking care of each other's children and helping each other's business. Storr goes so far as to argue that these types of noncatalactic relationships "might not exist if not for the market."⁴⁶ Ultimately, then, coworkers (and other friendships formed in market settings) can very well be friendships that arise because of the market, without there being a need for monetary exchange between the two of them (like there would be between say, a boss and an employee).

In our survey, we find that coworkers tend to be friends with other coworkers, more so than with bosses, clients, and so forth. From our survey, nearly 72 percent of people responded "yes" when asked if they spend time outside of work with their work friends. Moreover, more than 93 percent reported spending time at least once a month with their colleagues from work outside of work, with nearly 37 percent of people interacting with their colleagues weekly, and 29 percent report seeing colleagues outside of work a couple times per month. Thus, these repeated interactions do seem to be occurring with work friends. In terms of trust, we find that respondents overwhelmingly believed their work friends would not leak their secrets and would not lie to them (70 percent and 58 percent, respectively). Respondents were also overwhelmingly willing to share life details with work friends (between 65–81 percent) including love life, family issues, health issues, financial stress, and work stress. And 48 percent of respondents indicated that they trust their work friends as much as their nonwork friends (with 18 percent indicating that they trust their work friends *more* than their nonwork friends).

We argue here that our first proposition, that the market helps grow and even provides the basis for a friendship of utility, is plausible when examining evidence both from our survey and from the theoretical literature. The more businesspeople are better able to truck, barter, and exchange with each other, the more they can interact with each other and gain trust and mutual respect. While the friendship may not move beyond one of utility, it may become a strong and lasting relationship, especially if business partners build up a solid relationship built upon repeated dealings with each other. This type of relationship built on a foundation of trust allows for lower transaction costs, which in turn can grow business relationships and boost business growth and productivity. Interestingly, when asked what work friends have in common, respondents noted that while they have the same duties at work, also important in their commonality is having similar values, morals, and ethics, and having similar goals, interests, and aspirations in life. Thus, work friends need not solely be friends because of work duties but can also become friends because of other social content held in common. Rather than commodifying or putting a price on the friendship, markets allow

for friendships of utility to not only exist, but also to be strengthened through repeated market interactions.

On Aristotelian Friendships of Pleasure in the Market

Aristotle described the friendship of pleasure as those that are lustful, youthful, and fun and that generally satisfy lower forms of pleasure. Markets provide spaces where friends of pleasure can meet and interact.⁴⁷ Indeed, the market itself, rather than solely being a sterile environment filled with buyers and sellers, is also a place where social events and interactions occur.⁴⁸ As Storr discusses, “That market relations often become overlaid with social content, i.e. that social activity (beyond exchange and competition) also takes place within markets, is an important consideration.”⁴⁹ On any given day, for instance, employees go to their workplaces where they interact and engage with colleagues, bosses, clients, and others throughout the day. Workplace relationships need not be strictly professional. The modern-day workplace now sees ever-relaxed standards, where employees may take breaks at office ping-pong tables and hold meetings at coffee shops; they are able to become more than strict colleagues and become friends.⁵⁰ After work, people may go to a gym or to a happy hour, at which they are able to enjoy each other’s company in a relaxed and sociable way. On weekends some choose to go to beaches, clubs, malls, or coworkers’ cookouts. Even the weekly chore like grocery shopping is becoming increasingly sociable: some of the larger grocery stores now have their own sit-down bars and coffee shops, making the once-mundane trip a meeting ground for friends. Our survey also investigated *where* friends spend time when they are together in person. Friends tended to “form and deepen” friendships at work (19 percent), at bars or restaurants (17 percent), at school (13 percent), and at movies, concerts, or other similar events (12 percent), in addition to nonsport clubs, gym and/or sport clubs, religious establishments, and online (all under 10 percent each). And a majority of respondents (56 percent) mentioned that they spend 11–60 minutes chatting with friends on any given day.

In addition, many people on any given day interact with tens if not hundreds of people through telecommunications and social media technologies offered and developed within markets.⁵¹ In this section, we identify technology as an extension of the market, and thus argue that markets (and the technology they bring about) can provide the grounds for friendships of pleasure. Specifically, we classify that technology is brought about because of market systems, which allow for productive entrepreneurs⁵² to test their products in a competitive and open market and bring products to market that consumers demand. Importantly, friendships need not be restricted to a shared geographic location thanks

to technology, so the social interactions that occur in markets discussed previously are just as relevant in online settings as they are in face-to-face settings. For instance, people post Facebook statuses to share with their friends. They “tweet” (now “post”) funny memes to share with colleagues, text their parents’ photographs of their children, buy clothes from Etsy and dog toys from Amazon.

Thus, we also sought to investigate innovation and inventions of the market (i.e., products developed as a result of market entrepreneurship), and whether they facilitate or hinder these friendships. Technology such as the automobile, the airplane, and smartphones, are all examples of market innovation. Although some technologies offered through markets can undermine friendships of pleasure by individualizing leisure time, whether a technology corrodes social connections depends on whether that technology is used as a substitute or as a complement to social activity. If technology is used as a substitute, we end up with Putnam’s *Bowling Alone* conclusion: technology individualizes social experiences, and individuals become more isolated and withdrawn from community activities. If used as a complement, however, technology may in fact boost social engagement and consequently social capital. Of course, realistically, technology and social engagement are likely to be neither perfect substitutes nor complements, but rather fall somewhere in between.

Take, for instance, Putnam’s central example. He argued that while raw bowling participation numbers were on the rise, participation in *leagues* was in decline.⁵³ Further, he dismissed the idea that people bowling in friend groups or with families are similar to bowling in leagues because bowling in any small groups outside of formal leagues “merely provide[s] occasions for individuals to focus on themselves in the presence of others.” Interestingly, Putnam’s later work *Better Together* compiled a dozen different stories, showing that informal community organizations may be on the rise. Several of these stories involve virtual communities, such as an online bulletin board with job and apartment listings. Putnam seemed to withdraw, at least slightly, from his initial idea that technology inherently corrodes social bonds, but he still sees it as more isolating than in-person communication and bonding.⁵⁴

Indeed, it may be that within our more technocentric society, social capital has not waned, but merely changed forms: rather than rigid, formal group structures, consumers now prefer flexible social interactions that allow them to choose specialized, tailored social plans. Many people, for instance, may now bowl in social groups that form spontaneously with the help of apps such as Meetup.⁵⁵ It is, of course, very difficult to quantitatively determine whether bowling in a friend group, a formal bowling league, or a spontaneously formed group creates more social capital. Stated another way, it is not obvious that, on its face, bowling

in an informal group represents and generates less social capital than a formal league. Similarly, if one does not enjoy the clubs of yesteryear such as rotary clubs, Boy Scouts, and bowling leagues, she can now choose among hundreds of social options, from *Dungeons & Dragons* clubs to mountain biking groups.

Our survey found that while people communicate with friends in-person, they also communicate and socialize with friends via text, audio chat, and video messaging, and even video games, emblematic of the importance of market technologies. As the COVID-19 pandemic acutely demonstrated, these technologies became critical in maintaining our social connections when social distancing requirements barred us from meeting in person, even if these technologies may have been imperfect substitutes during the pandemic.⁵⁶ There is also mounting evidence within the literature that suggests technology aids senior citizens, who are consistently one of the loneliest groups.⁵⁷ Putnam indeed seemed to advocate for the benefits from informal and online groups in *Better Together*, helping bridge the gap from his previous, pessimistic view on technology and informal groups to a more optimistic one—one that sees technology (used for forming informal groups) as a complement, rather than a substitute, to social activity. Technology appears to enhance the social experience, leading to many more friendships of pleasure where, in Aristotle's words, individuals "pursue especially what is pleasant to themselves."⁵⁸ Again, markets make it less costly for friends to connect and engage in a very large number of specialized, pleasurable activities. As discussed above, evidence from our survey at the very least does not undermine this claim. Friends met together virtually, whether it was through texting or video messaging, and they also socialized in-person in spaces provided by the market, such as in bars and restaurants and workplaces.

Much of the empirical evidence seems to support technology being more of a complement, not a substitute, to social activity.⁵⁹ Some studies contradict this and conclude that technology increases isolation. In a seminal study on technology's effect on socialization, Miller McPherson et al. found that Americans' discussion networks decreased by about a third since 1985.⁶⁰ They hypothesized that this meant isolation must have increased threefold since 1985 as well, which has troubling conclusions for how technology impacts communities and friendships. However, Keith N. Hampton et al. challenged their conclusions. While their data also found that social groups have decreased by about a third over the same timeframe, they also found that

Americans are not as isolated as has been previously reported. We find that the extent of social isolation has hardly changed since 1985, contrary to concerns that the prevalence of severe isolation has tripled since then. Only 6% of the adult population has no one with whom they can discuss

important matters... [C]ontrary to the considerable concern that people's use of the internet and cell phones could be tied to the trend towards smaller networks, *we find that ownership of a mobile phone and participation in a variety of internet activities are associated with larger and more diverse core discussion networks.*⁶¹

As Tyler Cowen similarly described, more of these diverse discussion networks emerge as globalization expands; that is, larger, broader, and more cosmopolitan groups emerge.⁶² While it is impossible to ever fully parse out how much of an effect technology has on social relationships, and in which direction, the initial negative findings on technology's effect on social networks seem premature.

In summary, we believe the Aristotelian friendship of pleasure is present and enhanced in the marketplace and because of market technologies, and in fact might even be possible because of the marketplace. That is, we do not believe markets wholly corrupt this form of friendship. Of course, we cannot speak to every case, and there is some evidence that suggests that market inventions and innovations have negative social consequences, such as the case of technology resulting in isolation.⁶³ Yet plentiful evidence shows that, for instance, technology helps friends and communities associate and accordingly fights back against isolation.⁶⁴ By understanding technology as a near complement to social engagement, we can see how pleasurable friendships are able to grow and expand; technology, brought about through advanced division of labor in the marketplace, allows for more diverse, tailored social plans, helping individuals find and partake in friendships of pleasure.

On Aristotelian Friendships of the Highest Form in the Market

Much of the conversation around market friendships centers around whether the market is compatible with Aristotelian friendships of the highest form in the market. In fact, Elizabeth Anderson can be read as arguing that the market promotes friendships of utility at the expense of the highest form of friendship.⁶⁵ Anderson, for instance, detailed how market relations (which might be read as friendships of utility) can undermine moral development: "The norms governing market relations are impersonal, suitable for regulating the actions of others... The market leaves its participants free to pursue their individual interests without considering the interests of others." This, she argued, results in a very unkind and unwelcoming sphere where issues of "discrimination on the basis of race, ethnicity, gender, and sexual orientation" arise naturally.⁶⁶ In other words, the *very existence of the market* leads to a deterioration of the higher order moral development and, by implication, virtuous friendships.

In our view, Aristotle's categorization of friendships may further clarify the discussions of markets and friendships. Recall that Aristotle regarded friendship in its highest form as a coming together of two friends who are both complete in virtue, aiding each other in living an ethical life. Could the market bring about and continue such friendships of virtue? At least three conditions must be met in order for the highest form of Aristotelian friendship to emerge in the market. First, it must be possible for individuals to develop virtue while engaging in market activity. Second, it must be possible for a virtuous person to engage in market activity without necessarily being corrupted. Third, it must be possible for virtuous people to meet and engage with one another in the market.⁶⁷ Moreover, it is important to note that markets may allow for the friendships between two virtuous beings who are virtuous by some definition of virtue besides Aristotle's. To the extent that this is correct, it reinforces the notion that Aristotle's grammar of friendship might still be useful in discussing the relationship between markets and friendship, even if the substance of Aristotle's discussions of virtue in the market would seem to settle the question.

According to Aristotle, virtue must be able to be put to the test. One must be able to continuously try and err in putting virtue to work. Aristotle made the case that virtuous people must possess this complete and stable virtue; a virtuous person has such a stable condition of virtue in her soul that deviation from the mean of virtue is rare, if not impossible. Virtue only becomes stable over time, after countless trial and error of employing virtue in various situations. But for market friendships to become friendships of the highest form, this process must be possible in the market. For markets to allow this continual process to occur, they must permit its participants the liberty to choose and to pursue such action and must support the trial-and-error of virtue.

Markets permit such liberty to choose and learn from mistakes to a greater extent than other economic systems such as socialism. Other economic systems restrict choice and so limit the ability of moral development.⁶⁸ Moreover, as Cowen discussed, market systems allow for higher division of labor, which decreases the opportunity cost of time.⁶⁹ Importantly, this frees up time that individuals would have otherwise spent being hunter/gatherers to instead allow for all sorts of leisure activities, including developing and maintaining friendships. Even if such friendships are not formed or maintained *within* market spaces, heightened division of labor brought about by the market process allows for the leisure time in which such friendships are then able to form.

Our survey finds interesting results, especially around trust and encouraging virtuous development of friends. For instance, we find that, on a scale of 1.0 to 4.0, with 4.0 being the highest, participants indicated that it is very important

they trust their friends, with a mean of 3.56. We also asked how important it was that participants' friends do what they deemed to be the "right" thing, and how important it was that participants' friends encouraged them to do the "right" thing; each received a mean score of 3.17 and 3.23, respectively. This indicates, at the very least, that friends care about the morals and virtues of their friends, though the results do not indicate whether this is selfish (i.e., friends care about their friends' virtues insofar as it helps themselves) or selfless (i.e., friends care about their friends' virtues insofar as it helps their friends).

What does seem clear, though, is if the institution promotes the ability of individuals to freely act and interact (which is distinct from the institution's ability itself to promote virtue), then its ability to create true and lasting virtue improves as the institution grows freer. As it grows freer, it expands the market participants' ability to exercise their liberty to more areas, ranging from experimenting with different types of products and production processes to experimenting with virtue and vice, which was necessary in Aristotle's description of virtue formation. In fact, markets are settings where individuals receive feedback on how well the goods or services that they provide, including their labor, satisfy their consumers' wishes and also on how well their behavior, including their moral behavior, comports with the expectations and wishes of other market actors.⁷⁰ Markets, then, can be a site for moral learning.⁷¹

Still, many believe that markets might corrode virtue on the margin. Concluding that markets support friendships between virtuous individuals will turn on whether or not markets, on net, promote virtue or vice. Aristotle was very skeptical that market activity could lead to virtue. He believed that market exchanges were morally problematic in part because they enabled people to indulge in their unlimited desire to amass wealth. Through repeatedly interacting in the marketplace, Aristotle worried that man will perpetuate vices and lead to a deterioration of moral virtue. So Aristotle likely would have doubted that the market could be a natural setting for the development and maintenance of the highest form of friendship. Thus, this condition remains unsettled.

The second condition for the existence of the highest form of friendship in the market—that it must be possible for a virtuous person to engage in market activity without necessarily being corrupted—is only met if, indeed, market activity corrupts less than it helps in the development of virtue. Aristotle defined virtues to be the mean or moderation between two extremes—deficiency and excess. He regarded these two extremes as vices and thus believed that virtue meant the disposition to behave in an appropriate manner. At first glance, the Aristotelian definition of virtue itself may not seem sufficient (and perhaps may even be irrelevant) in determining whether or not the highest form can possibly

develop in markets. But if it can be shown that markets can encourage those who populate them to act in moderation (i.e., virtuously), then there are reasons to believe that markets can support and encourage the development of the highest form of friendship.

There is a growing literature that discusses how markets shape our morals. Dierdre McCloskey, for instance, argued that markets are compatible with virtue and that people in modern capitalist societies are actually more moral than people in noncapitalist societies.⁷² She argued that markets promote and foster what she called the bourgeois virtues, which consisted of the four classical virtues (courage, justice, temperance, and prudence), and the three Christian virtues (faith, hope, and love). According to McCloskey,

[People in capitalist societies] have more, not fewer real friends than their great-great-great-great grandparents in “closed-corporate” villages. They have broader, not narrower choices of identity than the one imposed on them by the country, custom, language, and religion of their birth.... *They are better humans—because they in their billions have acquired the scope to become so.*⁷³

In addition, Storr and Choi provided a rather expansive range of qualitative and quantitative evidence that indicates markets tend to make people more altruistic, less materialistic, less corrupt, more cosmopolitan, and more trusting.⁷⁴ Although these traits are not the virtues that Aristotle likely had in mind, it could be argued that they represent Aristotelian virtues, in the sense that they are the mean between two vices. For instance, materialism and corruption sit at the extremes of a virtue (i.e., they are vices). Altruism could be thought to be the mean between selfishness and selflessness, cosmopolitanism as a mean between bigotry and indiscriminism, and trust as a mean between arrogance (or the state of having absolutely no suspicion) and nonconfidence in the genuineness of another person(s). Collectively, altruism, cosmopolitanism, and trust shape people to engage with each other more humanely. Thus, we argue here that while Aristotle may be doubtful that one can sustain virtue in the marketplace, there is a large literature that details otherwise. This condition, though, remains unsettled.

Finally, in order for markets to be sites where friendships of the highest form are created and maintained, it must be possible for virtuous people to freely meet and engage with one another in the market. If they were unable or unlikely to meet and form a friendship within market settings, then creating and maintaining the highest form of Aristotelian friendship would be impossible. Although Aristotle saw the pursuit of wealth for its own sake to be deficient of virtue, he never barred the possibility that the highest form of friendships (i.e., the actual

meeting of two people) could be formed through market interactions. He merely discussed how a certain type of (political) discourse and interaction was necessary in order for such deep and intellectual friendships to develop. While to the best of our knowledge Aristotle never explicitly stated so, he likely thought the market and relationships developed within the market did not provide the right environment for such discourse to occur. For the highest form of friendship to be possible, it hinges upon the satisfaction of the first two conditions above and on the friends being complete in virtue in the first place.

McCloskey, in her defense of capitalism, remained silent on the mechanism(s) through which she believed markets can teach us virtues and mature us morally. But Storr and Choi extended the notion of the market as a discovery process.⁷⁵ Market interactions, they wrote,

have the ability to make us more virtuous through at least two mechanisms. First, every market transaction serves as an opportunity to learn about our trading partners and to discover those market participants who have the moral qualities that we admire. Second, markets allow us to reward market participants with the ethical qualities we appreciate and to punish those who behave immorally. Consequently, the market can train individuals to become more virtuous, at least in the long run.⁷⁶

In other words, markets not only connect us with people who we find agreeable in virtue, but they also allow us to send signals to others of approval, or disapproval, of their moral actions. So the highest form of friendships may be possible if markets act as moral grounds where those alike in virtue can meet. For instance, take the matching market studied most prominently by Al Roth. Roth described matching markets to be ones where prices do not determine trades or matches even if people can afford to pay, but need to be chosen. People simply cannot decide to work for Google; they must be chosen and hired by Google. Similarly, people simply cannot decide to marry certain others; they must also be chosen and be wanted for marriage by their preferred partners.⁷⁷ These choices obviously do not happen at random. Google must consider multiple dimensions of a person's application (e.g., work experience and education), including whether the applicant is a good cultural fit for the company. Likewise, a woman would not randomly choose a man from a pool of bachelors, but would choose her life partner based on, crudely put, his general fit with her values, lifestyle, and other traits. High-virtue people will tend to match with other high-virtue people, which will tend to create incentives for people to be virtuous. In other words, virtuous people have an incentive to match with other virtuous people in markets.

Our survey does indeed find evidence that friends match with other friends who are alike in virtue. In our survey, we asked, “What do you and your friends have in common?” and overwhelmingly, the highest answer chosen was “hav[ing] similar values, morals, or ethics.” Second highest was “hav[ing] similar interests, goals, or aspirations in life.” Other options included “enjoy[ing] the same recreational activities or hobbies” and “belong[ing] to the same religious organization.” Moreover, friends trusted other friends with important personal aspects, and between 65 and 81 percent indicated they would feel comfortable sharing personal issues with their friends on each of the following topics: family issues, health issues, financial stress, and work stress. On a scale of 1.0 to 4.0, with 4.0 being the highest, we asked participants how important it was that their friends have similar morals and ethics, and this received a mean score of 3.21. Similarly, we asked about participants’ *best* friends. The results were again “hav[ing] similar values, morals, or ethics.” Second highest, again, was “hav[ing] similar interests, goals, or aspirations in life.”

And in terms of where these friends meet, we find a variety of locations. Work, bars and restaurants, and universities were the three highest ranked places, but other places such as concerts, gyms, and religious establishments were also high on the list. Thus, with these two different pieces of evidence, it appears that friends would be able to match with other friends of similar values, morals, and ethics, at a variety of places. As discussed above, there is likely a selection mechanism of *where* it is people tend to gather, which leads to a matching market for friends alike in virtue. For instance, if two people go to synagogue, they may already share certain traits (like valuing family and keeping kosher), and thus match with other individuals at this space who also have these same values.

As argued earlier, market inventions and innovations such as technology likely enhance social engagement if they are used as complements to social activity. If this is true, it must follow that friends of virtue can more easily meet each other. That is, friends can also meet online, which broadens the scale and scope of which friends (including friends of virtue) can meet. The burden of proof, then, seems to rest on the first two conditions. If we can overcome the hurdles that virtue is possible in markets, and that it can be exercised continually in the marketplace, then it is plausible that those of virtue would find each other much more easily in the market. Friends of virtue can self-select into virtuous meeting-places. They can search different church options online; they can find different reading groups that discuss the great works (even those such as Aristotle’s *Nicomachean Ethics*); or they can chat in online forums discussing what it means to be human, or to be happy. The ability of those to meet in past times is only heightened today, but this of course hinges on if one views technology as a complement to

social engagement. Our general argument here can be summarized as follows. Greater markets lead to more choices. These lead to a lower cost of selecting into desired groups, including virtuous friend groups. This, of course, could lead to heightened virtue.

Conclusion

The debate around markets and friendships is wide-ranging and unsettled. The novel contribution of this article is our utilization of Aristotle's three forms of friendships, which clarifies the debate as to whether markets enable or degrade friendships. By parsing out friendship into three different categories, we can clearly analyze, using existing literature and novel survey evidence, how each form of friendship fares in market systems.

There is clearly a mixed case as to if the highest, most virtuous form of friendship is possible in the marketplace. It may not be the case that, on the margin, markets improve our virtue, and it also may not be the case that virtue can be sustained through repeated market interaction. However, if both of those two conditions could be feasibly met, then the third condition, that two friends alike in virtue could interact in the marketplace, is likely met as well, especially considering our ever-connected society. Although our impression is that markets are moral spaces,⁷⁸ and so market friendships of the highest form are possible, there is nothing like a consensus in the extant literature on markets and morality.

It is more clear-cut, however, that friendships of utility and pleasure, Aristotle's lower forms of friendship, are possible in the marketplace and in fact aided by the very existence of the marketplace. Friendships of utility form in societies with ever-present marketplaces, where people of business, both in and out of the office, can form friendships. Through repeated dealings, these business partnerships bloom into friendships of utility, which, beyond the benefits of friendship, have the societal benefit of lowering transaction costs. The friendship of pleasure also is enhanced and heightened in a market society. Not only does the market provide a space in which people can meet, whether it be a bar or a gym class, but it also provides more specialized, tailored forms of social activity through the recent surge in technological advancements through social meetup applications. If one moves away from the Putnam of *Bowling Alone*, who views technology, among other factors that come along with market economies, as corrosive, and instead toward the Putnam of *Better Together*, who views technology as a potential complement to social activity, then one can easily see the benefits of market economies to friendships of pleasure.

Several important conclusions follow from our article: First, we argue that markets create opportunities to engage in diverse friendships of utility and of pleasure. Second, under certain circumstances, markets can also create feedback loops of virtue, which aid friendships of all kinds, but especially of the highest form. With a clear definition of the forms of friendship, we are able to parse out the effect of markets on the differing forms, and fill the gap left in the literature. Moreover, we can help inform what is missing from Gudeman, Anderson, and Putnam's work: markets may hinder some forms but certainly aid others. With our delineation, we present a more complete picture of markets and their effects on community and friendship.

Notes

1. See Allan Silver, "Friendship in Commercial Society: Eighteenth-Century Social Theory and Modern Sociology," *American Journal of Sociology* 95, no. 6 (May 1990): 1474–504.
2. See Neera K. Badhwar, "Friendship and Commercial Societies," *Politics, Philosophy & Economics* 7, no. 3 (2008): 301–26.
3. See Friedrich A. Hayek, "The Use of Knowledge in Society," *American Economic Review* 35, no. 4 (1945): 519–30; Steve Horwitz, "Monetary Exchange as an Extra Linguistic Social Communication Process," in *Individuals, Institutions, Interpretations*, ed. Dave L. Prychitko (Burlington: Ashgate, 1995).
4. See Virgil Henry Storr, "The Market as a Social Space: On the Meaningful Extra-economic Conversations That Can Occur in Markets," *The Review of Austrian Economics* 21, no. 2-3 (2008): 135–50, <http://www.doi:10.1007/s11138-007-0034-0>.
5. Storr, "The Market as a Social Space," 137.
6. Robert D. Putnam, *Bowling Alone: The Collapse and Revival of American Community* (New York: Simon & Schuster, 2000), 87.
7. Putnam, *Bowling Alone*, 87.
8. See Stephen Gudeman, "Remodeling the House of Economics: Culture and Innovation," *American Ethnologist* 19, no. 1 (1992): 141–54, <http://www.doi:10.1525/ae.1992.19.1.02a00080>; idem, *The Anthropology of Economy: Community, Market, and Culture* (Malden, MA: Blackwell, 2001); Elizabeth Anderson, *Value in Ethics and Economics* (London: Harvard University Press, 1995); K. Grayson, "Friendship versus Business in Marketing Relationships," *Journal of Marketing* 71, no. 4 (2007): 121–39.

9. This survey was conducted by Ginny Choi and Virgil Henry Storr in November and December 2021 across the United States using Qualtrics. The survey asked respondents about their friendships both in and out of the marketplace prior to the pandemic. Choi and Storr reported that 51 percent of their respondents identified with female pronouns, 32 percent identified with male pronouns, and 75 percent identified as racially white. The average age of the respondents was 47.5 years old. In addition, 96 percent self-reported to be US citizens, and everyone self-reported that they had held at least one job prior to completing the survey. It is also important to mention that almost all of their respondents reported having at least one friend prior to the pandemic, with 48 percent self-reporting that they had 1–5 friends, 29 percent 6–10 friends, and 23 percent more than 11 friends. For the remainder of this article, we will refer to this survey throughout as “our survey.”
10. See Dotan Leshem, “Aristotle Economizes the Market,” *Boundary* 40, no. 3 (2013): 39–57.
11. See Thomas J. Lewis, “Acquisition and Anxiety: Aristotle’s Case against the Market,” *The Canadian Journal of Economics/Revue Canadienne D’Economie* 11, no. 1 (1978): 69–90.
12. See M. I. Finley, “Aristotle and Economic Analysis,” *Past & Present* 47 (1970): 16.
13. See Mark Blaug, *Aristotle (384–322 BC)* (Cheltenham, UK; Northampton, MA: Edward Elgar Publishing, 1991).
14. Many authors name the highest form of friendship differently. For instance, Sokolowski referred to it as the “noble” friendship. Pangle referred to it as the “perfect” friendship. Cooper referred to it as the “friendship of character.” We will refer to it as the “highest form” of friendship. See Robert Sokolowski, “Friendship and Moral Action in Aristotle,” *The Journal of Value Inquiry* 35 (2001): 357; Lorraine Smith Pangle, *Aristotle and the Philosophy of Friendship* (Cambridge: Cambridge University Press, 2008), 43; John M. Cooper, “Aristotle on the Forms of Friendship,” *The Review of Metaphysics* 30, no. 3 (June 1977): 629, <http://www.doi.org/10.2307/2183784>.
15. See Pangle, *Aristotle and the Philosophy of Friendship*, 39.
16. Aristotle, *Nicomachean Ethics*, trans. Joe Sachs (Newburyport: Focus Publishing, 2002), 1156a 16–17.
17. Pangle, *Aristotle and the Philosophy of Friendship*, 39.
18. Cooper, “Aristotle on the Forms of Friendship,” 631.
19. Aristotle, *Nicomachean Ethics*, 1156a 14–15.
20. See Aristotle, *Nicomachean Ethics*, 1156b 2–3.

21. Aristotle, *Nicomachean Ethics*, 1156a 34–35.
22. Pangle, *Aristotle and the Philosophy of Friendship*, 541.
23. Aristotle, *Nicomachean Ethics*, 1156b 7–11.
24. Pangle, *Aristotle and the Philosophy of Friendship*, 43.
25. See Sokolowski, “Friendship and Moral Action in Aristotle,” 368.
26. Sokolowski, “Friendship and Moral Action in Aristotle,” 357.
27. In Aristotle’s account, this is unlikely to be a friendship between people of different genders, but more so likely to be comprised of the same gender, since in Aristotle’s view each gender has different levels of complete virtue. See Cooper, “Aristotle on the Forms of Friendship,” 628. While Aristotle’s views on gender are antiquated and can be rejected, this is not grounds to reject his classifications of friendship.
28. See Virgil Henry Storr and Ginny Seung Choi, *Do Markets Corrupt Our Morals?* (Basingstoke: Palgrave Macmillan, 2019).
29. See Gudeman, “Remodeling the House”; idem, *The Anthropology of Economy*; Anderson, *Value in Ethics and Economics*.
30. Gudeman, “Remodeling the House,” 144.
31. Gudeman, *The Anthropology of Economy*, 22.
32. Mises took this argument further and claimed that there would be no community or society without the need to interact and get gains from trade. The friendship of utility would be absent in a world without markets, in Mises’ view. In chapter 8 of *Human Action*, Mises detailed how without Ricardo’s law of comparative advantage and hence division of labor and gains from trade, there would be no need to exit the state of nature. We would be better off without society, as there is no trade and co-operation that would ensue. With gains from trade, though, we learn to cooperate and form civil society. See Ludwig von Mises, *Human Action: A Treatise on Economics*, ed. B. B. Greaves (Indianapolis: Liberty Fund, 2014 [1949]). This is also consistent with Lavoie’s (1985b) discussion of the three differing levels of social coordination: tradition, market, and planning. Markets, he argued, provide the highest levels of such coordination. See Don Lavoie, *National Economic Planning: What Is Left?* (Cambridge, MA: Ballinger, 1985).
33. See Storr and Choi, *Do Markets Corrupt Our Morals?*
34. James M. Buchanan, “What Should Economists Do?” *Southern Economic Journal* 30, no. 3 (1964): 218.
35. See Mark Granovetter, “Economic Action and Social Structure: The Problem of Embeddedness,” *American Journal of Sociology* 91, no. 3 (1985): 481–510.

36. See John K. Butler, "Reciprocity of Trust between Professionals and Their Secretaries," *Psychological Reports* 53, no. 2 (October 1983): 411–16; N. Ferres, J. Connell, and A. Travaglione, "Co-worker Trust as a Social Catalyst for Constructive Employee Attitudes," *Journal of Managerial Psychology* 19, no. 6 (2004): 608–22; Karin Sanders and Birgit Schyns, "Trust, Conflict and Cooperative Behaviour," *Personnel Review* 35, no. 5 (2006): 508–18; Jonathon R. B. Halbesleben and Anthony R. Wheeler, "To Invest or Not? The Role of Coworker Support and Trust in Daily Reciprocal Gain Spirals of Helping Behavior," *Journal of Management* 41, no. 6 (September 2015): 1628–50.
37. See Kreps et al., "Rational Cooperation in the Finitely Repeated Prisoners Dilemma," *Journal of Economic Theory* 27, no. 2 (1982): 245–52, [http://www.doi:10.1016/0022-0531\(82\)90029-1](http://www.doi:10.1016/0022-0531(82)90029-1); Drew Fudenberg and Eric Maskin, "The Folk Theorem in Repeated Games with Discounting or with Incomplete Information," *Econometrica* 54, no. 3 (1986): 533, <http://www.doi:10.2307/1911307>; Dilip Abreu, "On the Theory of Infinitely Repeated Games with Discounting," *Econometrica* 56, no. 2 (1988): 383, <http://www.doi:10.2307/1911077>; Partha Dasgupta, "Trust as a Commodity," in *Trust: Making and Breaking Cooperative Relations*, ed. Diego Gambetta, electronic ed. (Cambridge, MA: Basil Blackwell, 1988), 49–72 (chap. 4).
38. See Chamlee-Wright, Emily and Virgil H. Storr, "Social Economy as an Extension of the Austrian Research Program," in *The Oxford Handbook of Austrian Economics*, ed. Peter J. Boettke and Christopher J. Coyne (Oxford: Oxford University Press, 2015), 247–71.
39. See Chi Kin (Bennet) Yim, David K. Tse, and Kimmy Wa Chan, "Strengthening Customer Loyalty through Intimacy and Passion: Roles of Customer-Firm Affection and Customer-Staff Relationships in Services," *Journal of Marketing Research* 45, no. 6 (2008): 741–56.
40. This is not to say that one-off interactions do not matter for happiness: Sandstrom and Dunn report that when individuals were asked to "personalize" a transaction—such as smiling at, making eye contact with, or having a chat with their barista—they felt 17 percent happier and more socially connected than those who avoided such interactions. See Gillian M. Sandstrom and Elizabeth W. Dunn, "Social Interactions and Well-Being: The Surprising Power of Weak Ties," *Personality and Social Psychology Bulletin* 40, no. 7 (2014): 910–22.
41. See Virgil Henry Storr, Rachael Behr, and Michael Romero, "Commercial Friendships During a Pandemic," *The Review of Austrian Economics* (September 6, 2021), <https://doi.org/10.1007/s11138-021-00556-7>, for a discussion of commercial friendships and the ways in which commercial friendships might form due to markets.
42. See Storr, "The Market as a Social Space," 135–50.

43. See Storr, "The Market as a Social Space," 135–50.
44. See Emily Chamlee-Wright, *The Cultural Foundations of Economic Development: Urban Female Entrepreneurship in Ghana* (New York: Routledge, 1997).
45. See Gracia Clark, *Onions Are My Husband: Survival and Accumulation by West African Market Women* (Chicago: University of Chicago Press, 1994).
46. See Storr, "The Market as a Social Space," 143.
47. See Storr, "The Market as a Social Space," 135–50.
48. See Storr, "The Market as a Social Space," 135–50.
49. See Storr, "The Market as a Social Space," 140.
50. These office perks are growing phenomena. The Philadelphia Inquirer reported in 2019 that local businesses tried out the ping-pong table experiment, which bring about not only higher net-profits but also "concentration, alertness, and tactical thinking skills, among other benefits." While these results are anecdotal, we believe they are emblematic of something bigger, specifically, that the workplace is grounds for more than just work, and that this can amass wide benefits on the personal and social level. See Peg Quann, "Paddle Power: Employers Find Net Profits in Ping-Pong," *The Philadelphia Inquirer*, April 19, 2019, <https://www.inquirer.com/business/top-workplaces/top-workplaces-ping-pong-table-tennis-advanceon-deacom-trolley-car-20190419.html>.
51. According to Dixon, "In 2022, over 4.59 billion people were using social media worldwide, a number projected to increase to almost six billion in 2027." See Stacy Jo Dixon, "Number of Worldwide Social Network Users from 2017 to 2025," *Statista*, June 2022, <https://www.statista.com/statistics/278414/number-of-worldwide-social-network-users/>.
52. See William J. Baumol, "Entrepreneurship: Productive, Unproductive, and Destructive," *Journal of Political Economy* 98, no. 5 (1990): 893–921.
53. See Robert D. Putnam, "Bowling Alone: America's Declining Social Capital," *Journal of Democracy* 6 no. 1 (1995): 70.
54. See Robert D. Putnam, Lewis Feldstein, and Donald J. Cohen, *Better Together: Restoring the American Community* (Riverside: Simon & Schuster, 2009), 9.
55. For instance, Meetup alone had over 343,000 bowling members in the United States and Western Europe. Of course, this estimate excludes bowling members in non-Meetup informal leagues and friend-groups and who use other apps to organize bowling outings.

56. See Virgil Henry Storr, Rachael Behr, and Michael Romero, “Commercial Friendships During a Pandemic,” *The Review of Austrian Economics* (September 6, 2021), <https://doi.org/10.1007/s11138-021-00556-7>.
57. See Ron Baecker et al., “Technology to Reduce Social Isolation and Loneliness,” *Proceedings of the 16th International ACM SIGACCESS Conference on Computers & Accessibility (ASSETS '14)* (New York: ACM, 2014), 27–34.
58. Aristotle, *Nicomachean Ethics*, 1156a, 34–35.
59. See Jess Gaspar and Edward L. Glaeser, “Information Technology and the Future of Cities,” *Journal of Urban Economics* 43, no. 1 (1998): 136–56; Edward L. Glaeser, “Are Cities Dying?” *Journal of Economic Perspectives* 12, no. 2 (1998): 139–60.
60. See Miller McPherson et al., “Social Isolation in America: Changes in Core Discussion Networks over Two Decades,” *American Sociological Review* 71, no. 3 (June 2006): 353–75.
61. Keith N. Hampton et al., *Social Isolation and New Technology* (Pew Internet & American Life Project, 2009), 3, emphasis added. They reference McPherson et al., “Social Isolation in America.”
62. See Tyler Cowen, *Creative Destruction: How Globalization Is Changing the World's Cultures* (Princeton University Press, 2002).
63. See McPherson et al., “Social Isolation in America.”
64. See Baecker et al., “Technology to Reduce Social Isolation and Loneliness”; Hampton et al., *Social Isolation and New Technology*.
65. See also Gudeman, “Remodeling the House”; idem, *The Anthropology of Economy*; and Max Weber, *Economy and Society* (Berkeley: University of California Press, 1978), especially the chapter on the market, for a similar argument. See also Virgil Henry Storr and Solomon Stein, “Max Weber on the Market's Impersonality and Ethic,” *Max Weber Studies* 19, no. 1 (2019): 43–63, for a discussion of Weber's writings on the impersonality of the market.
66. Elizabeth Anderson, *Value in Ethics and Economics* (London: Harvard University Press, 1995), 145.
67. We believe these conditions are necessary but remain silent on whether or not they are sufficient for the highest form friendship to develop.
68. See Storr and Choi, *Do Markets Corrupt Our Morals?*
69. See Cowen, *Creative Destruction*.
70. These signals are akin to Hayek's price signals. See Friedrich A. Hayek, “The Use of Knowledge in Society,” *American Economic Review* 35, no. 4 (1945): 519–30.

While information is reflected in relevant prices, those in our social networks can also send us information signals, whether it be in avoiding us, not responding to text messages, spending lots of time with us, or the like, these actions all portray signals about the friendship. Similarly, others in the market can chose to interact with others based on their characters and their morality.

71. See Storr and Choi, *Do Markets Corrupt Our Morals?*; Virgil Henry Storr, “The Impartial Spectator and the Moral Teachings of Markets,” in *Oxford Handbook of Freedom*, ed. David Schmidtz and Carmen Pavel (Oxford: Oxford University Press, 2018).
72. See Dierdre McCloskey, *The Bourgeois Virtues: Ethics for an Age of Commerce* (Chicago: University of Chicago Press, 2006); idem, *Bourgeois Dignity: Why Economics Can't Explain the Modern World* (Chicago: University of Chicago Press, 2010); idem, *Bourgeois Equality: How Ideas, Not Capital or Institutions, Enriched the World* (Chicago: University of Chicago Press, 2016).
73. See McCloskey, *The Bourgeois Virtues*, 28–29, emphasis added.
74. See Storr and Choi, *Do Markets Corrupt Our Morals?*
75. See Storr and Choi, *Do Markets Corrupt Our Morals?* See also Friedrich A. Hayek, “The Use of Knowledge in Society,” *American Economic Review* 35, no. 4 (1945): 519–30; idem, *Individualism and Economic Order* (Chicago: University of Chicago Press, 2014 [1948]); idem, *Law, Legislation, and Liberty*, vol. 2: *The Mirage of Social Justice* (Chicago: University of Chicago Press, 1976); Don Lavoie, “The Market as a Procedure for Discovery and Conveyance of Inarticulate Knowledge,” *Comparative Economic Studies* 28 (1985a): 1–19.
76. See Storr and Choi, *Do Markets Corrupt Our Morals?*, 195.
77. See Alvin E. Roth and Marilda Sotomayor, “Two-Sided Matching,” in *Handbook of Game Theory with Economic Applications*, ed. Robert Aumann and Sergiu Hart (Amsterdam: Elsevier Science, 1992), 485–541.
78. See Storr and Choi, *Do Markets Corrupt Our Morals?*