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# The LL game: the curious preference for low quality and its norms

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## **Abstract**

We investigate a phenomenon which we have experienced as common when dealing with an assortment of Italian public and private institutions: people promise to exchange high-quality goods and services, but then something goes wrong and the quality delivered is lower than had been promised. While this is perceived as ‘cheating’ by outsiders, insiders seem not only to adapt to, but to rely on this outcome. They do not resent low-quality exchanges; in fact, they seem to resent high-quality ones, and are inclined to put pressure on or avoid dealing with agents who deliver high quality. The equilibrium among low-quality producers relies on an unusual preference ranking which differs from that associated with the Prisoners’ Dilemma and similar games, whereby self-interested rational agents prefer to dish out low quality in exchange for high quality. While equally ‘lazy’, agents in our low-quality worlds are oddly ‘pro-social’: for the advantage of maximizing their raw self-interest, they prefer to receive low-quality goods and services, provided that they too can in exchange deliver low quality without embarrassment. They develop a set of oblique social norms to sustain their preferred equilibrium when threatened by the intrusion of high quality. We argue that high-quality collective outcomes are endangered not only by self-interested individual defectors, but by ‘cartels’ of mutually satisfied mediocrities.

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We have spent our academic careers abroad – Gloria in France and Diego in Great Britain. Over a long period of time each of us has had more than 100 professional dealings with our compatriots in Italy (academics, publishers, journals, newspapers, and public and private institutions). It is not an exaggeration to say that 95 percent of the times something went wrong – not catastrophically wrong, but wrong nonetheless.

Sometimes what goes wrong is timing: things do not happen when they are supposed to happen. Sometimes they happen in a different form from that which was planned or are simply cancelled. Workshops have twice or half as many people as one was told to expect; the time allocated to speak is halved or doubled; proofs are not properly revised or mixed up; people do not show up at meetings or show up unannounced; messages get lost; reimbursements are delayed, decreased, or forgotten altogether. This experience now extends to internet dealings: relative to those in other countries, Italian websites are scruffier, often do not work properly, remain incomplete or are not updated, bounce back messages, change email addresses with dramatic frequency, and contain files that are virus-ridden.

This is more than mere anecdotal evidence. Unless we suspect the existence of a bias due to the fact that *we* deserved unfavourable treatment, we can be confident that the sum of our independent experiences amounts to a statistically significant sample, representative of the universe of encounters with the kind of people with whom we have interacted.

The sources of this cocktail of confusion, sloppiness, and broken promises are a mystery to us. Are the types of Italians with whom we interacted just stumbling and unreliable? Is this the outcome of some collective irrationality or is it in some perverse way intended? Are *we* the ones who are maladjusted? And, how is this unpleasant feeling that nothing works well and standards in many walks of life keep declining compatible with a common appreciation of the Italian laid-back way of life?

Let us try to stylize the situation described above. Two persons agree to trade some units of good  $x$  for some units of good  $y$  (where ‘good’ is intended in the most generic sense, including intangible resources, and where  $x$  and  $y$  can also be the same ‘good’, as when two people agree to meet and the good is showing up at a given place at a given time). Assume, for simplicity, that goods can be produced at two levels of quality: high (H) and low (L). (In practice, there are often more than two levels of quality, an issue that does not affect our core argument and to which we return below.) H is both more rewarding to receive and more costly to produce than L; H takes more time, effort, skill, and organization. This excludes goods that have only *one* level of quality – if one pays to have someone murdered, one will regard a non-lethal wounding as a failure to deliver.

There might be also domains in which H-ness is undefined, such as an intellectual contribution to a theory which cannot even be proven wrong or regarding art and fashion, in which the lack of objective criteria of quality makes H unfathomable. We will limit ourselves to considering cases in which the criteria to establish H-ness are not controversial.

Our two persons can agree to trade at HH or at LL. For instance, they can both agree to be punctual, so that neither will waste any time, or to allow some flexibility, in which case either may waste some time waiting. In addition, one can agree to present a new paper at a conference and be paid €500 or to recycle some old work and be paid €200, just as one can choose to buy a cheaper car rather than a more expensive, top-of-the-range model produced by a premier car manufacturer. These examples describe a standard exchange in which there are differing qualities at differing prices and in which qualities are transparent and people are free to choose the combination they prefer. If both deliver what they promise and agree on, even if the exchange is LL, all ends well.

Problems arise if the two individuals agree on H, but one of them delivers L. This is, of course, a risk of many exchanges: rational, unprincipled, and self-interested agents prefer to dish out L rather than H, while at the same time, one would think, they also prefer to receive H rather than L. Dishonest second-hand car dealers prefer to sell a lemon while charging an H price. This happens often enough. It is what happened to us many times. We delivered H and got L, the sucker's pay-off. One of us has now become very cautious before dealing professionally with his old compatriots, while the other has started to dish out the occasional L herself.

Our impression, however, is that when the type of Italians we encounter deal with one another, there is no great tension over these mishaps: *both* parties agree on H and *both* deliver L. On the face of it, it looks as if they sell each other a lemon, and yet the following appear to apply.

1. Nobody seems to complain.
2. When we got L in return for giving H and complained, the L party seemed more annoyed than apologetic. They seemed to treat this as excessive fussiness.
3. H doers do not seem to receive much admiration; quite the contrary, they elicit suspicion. As an Italian university barone once put it, 'You don't understand Diego, when you are good [at your work] you must apologize.'
4. 'Italians' end up in LL even if they are playing a repeated game and plan to trade with each other in the future. In other words, they are not deterred from dealing with each other again and do not expect the other party to be deterred by getting L.
5. They do not abandon the H rhetoric and, more or less explicitly, keep pretending to perform at high standards.
6. A feeling of familiarity develops among L doers: L-prone people recognize other L-prone people as familiar, as 'friends'.

The evidence we have collected during years of flawed interactions indicates that LL seems to be the expected outcome, the outcome that surprises no one among the 'locals'. 'Expected', however, can in principle refer to three different preference rankings. In the first of these, the parties involved in the exchange end up with LL even though they would individually prefer LH and collectively prefer HH. This is the case in which they fail to achieve the best collective outcome because, for example, they fear that others will defect and, as a result, they themselves defect too. The preference ranking for each party would thus be the following (the first level of quality in each pair refers to the quality of

	H	L
H	2,2	0,3
L	3,0	1,1

**Figure 1.**

the good one would prefer to supply and the second to the quality of the good one would prefer to receive):

LH  
 HH  
 LL  
 HL.

This ranking is usually identified with the Prisoners' Dilemma game (PDG), which, expressed in a normal-form matrix of pay-offs, can be represented as in Figure 1.

In the second preference ranking, while each party prefers to supply L and receive H as in the first preference ranking, they also prefer LL to HH. While for themselves they still prefer H to L, they would rather get something bad provided they are allowed to 'reciprocate' with something just as bad. They prefer *pressapochismo* to *perfezionismo*.<sup>1</sup> They would thus have the following preference ranking:

LH  
 LL  
 HH  
 HL.

To prefer LL to HH is a plausible enough ranking even after a promise to do an H job; one can settle quite happily (say, out of laziness or competing pressures) for a lower-quality good if this implies less work and more flexibility for oneself, even though one would still be happier to have a higher-quality good for the same effort. This preference structure in normal form is shown in Figure 2.

One may, for example, prefer to write a piece for a mediocre journal provided that it does not require one to do too much work, although one would be happy to publish in a better journal at the same cost and that journal would be happy to have a better article at the same cost.

The third way to interpret the expectation of LL (and the most awkward) is that not only do both parties prefer LL to HH, but each also prefers LL to LH! They prefer to be

	H	L
H	1,1	0,3
L	3,0	2,2

Figure 2.

	H	L
H	1,1	0,2
L	2,0	3,3

Figure 3.

involved in exchanges with other L-minded people who deliver at the same low level of quality as they like to do:

LL  
LH  
HH  
HL.

This frame is less conventional. The parties do not just end up with LL, they actually *prefer* LL to all else. This third frame describes a situation in which LL is not a suboptimal equilibrium as in the previous two rankings, but the outcome preferred overall. Unlike the PDG, in which the forces threatening the best collective equilibrium (HH) are endogenous, in what we can call the 'LL game' (LLG) no one with this set of preferences has any reason to deviate and do H because L is strictly dominant. Again, as a normal-form game, this preference structure can be represented as in Figure 3.

Is this frame realistic? How could anyone ever *prefer* to receive lower- rather than higher-quality goods at the same cost to himself? Self-interest would seem to dictate LH as the preferred outcome, as in the other two rankings; so what is it that trumps

it?<sup>2</sup> The ‘texture’ that sustains this preference ranking in real life is quite rich, but before we can elucidate it, let us illustrate, with a fictional example, the form that the reasoning behind the dominance of LL may take.

After many years since I left my native town in Italy, one of the universities in Milan invites me to give a series of lectures. The university offers me, say, €900 for 15 hours of teaching in two weeks. I accept with enthusiasm, because it gives me an opportunity to visit my family and keep in touch with my old town. Although my previous experience in dealing with Italy tells me that I will probably be paid no less than six months later and that the €900 will be reduced to €600 due to mysterious taxes not previously announced, I nevertheless accept, because I also know that they will not strictly enforce 15 hours of teaching, but will be satisfied with 10 hours, given that they will not be able to keep the economic deal they announced. This suits me perfectly because I have extra, personal interests for going to Milan and the less I am asked to do, the better it is for me: I will have more time to spend with my family. It also suits the university, because they can have an invited professor for a cheap salary. So we both end up satisfied. Nobody explicitly states that the original deal has not been entirely fulfilled. I know that they know that I will not respect the deal and that neither will they, and so we end up in a mutually advantageous equilibrium in which we both have advantages in delivering less than we promised. We are both satisfied, while the quality of the services provided by the university is decreased. Even if it may seem at first sight that the optimal outcome of this hypothetical university would be to pay an L price and to get H (LH), they prefer that I deliver L, because I will not embarrass them and will have no reasons to complain for their L; and I too would be embarrassed if they paid me in full and promptly, given that I did not do my full stint of teaching.

As we can infer from the example, the optimality of the LL equilibrium obtains provided that two conditions obtain.

1. To the raw pay-offs of free-riding we must prefer to avoid the embarrassment of being seen as a free-rider or the discomfort of being made to feel of inferior quality, or both – emotions that would be triggered if the other party gave us H while we saddled them with L. By contrast, when both parties tacitly accept a ‘discount’ they are not cheating each other. Rather, they are entering a relation whose advantages for each depend on the reciprocal tolerance of L-ness. Not only does one want press-apochismo for oneself, one also wants it in others.
2. We need to have some prior knowledge, obtained either through direct experience or vicariously, that ‘this is how things work’. In other words, we need to expect both, on the one hand, that our partners in the exchange are, say, likely not to pay as well or as promptly as they say they will and, on the other hand, that they are not likely to resent it if we fail to deliver a perfect H.

In one respect, all three preference rankings share one feature: they *all* prefer to put less effort in to what they do and deliver L rather than H – none of them likes to do H for its own sake. But in another respect, the third frame that ranks LL above LH is different: those who entertain this ranking are not purely self-interested individuals who always prefer H for themselves regardless of other people’s feelings and judgements; while

equally 'lazy', our L doers are also 'pro-social' types who, for the advantage of maximizing purely their interests (LH), prefer a mediocre pay-off (LL) that ensures that they do not suffer embarrassment or discomfort. They dread being the only sinners around.

One-off encounters may suffice to set off these emotions and make L doers happier to receive an L even from a stranger. Naturally, if the two parties are not interacting just once and envisage a string of future exchanges, the potential force of these negative emotions could intensify. If we dislike being made to feel that we are exploiting a stranger, we would dislike even more to be seen to be exploiting a familiar person.

In what follows we focus on the third frame (that is, the LLG), on how it works and the nature of the norms which sustain it. However, for our case to make sense some H-ness has to be at least conceivable, otherwise the notion of H-ness itself would fade and L would become the only known standard against which to measure the quality of one's actions. There is also a more precise reason why H-ness cannot disappear. Deviations from the LL equilibrium can arise only through an exogenous threat: if an 'intruder' or a 'mutant' with preferences which favour H ends up playing with an L doer. For deviations to occur, the players must fail to detect correctly each other's preferences, else they would avoid each other. It is this threat which generates the need for L doers to be careful in selecting partners and to establish norms aimed at screening 'intruders' out.

## L trust and L selection

Usually, if one promises to deliver H and delivers L instead, one would think of this as a breach of trust. But in our case it looks as if players rely on each other not to be entirely trustworthy – they trust their untrustworthiness. Not only do they live with each other's laxness, but expect it: I trust you not to keep your promises in full because I want to be free not to keep mine *and* not to feel bad about it. There seems to be a double deal: an official pact in which both parties declare their intention to exchange H goods and a tacit accord whereby discounts are not only allowed, but expected. It becomes a form of tacit mutual connivance on L-ness.

Thus, if a party delivers H instead of L, the other party feels that this is, paradoxically, a breach of trust, even if the latter may not acknowledge it openly. In other words, if I deliver H, you resent me because of that. My being trustworthy in this relation means to deliver L too. Contrary to the standard PDG, in the LLG the willingness to repeat an interaction with someone is ensured if he delivers L rather than H.<sup>3</sup>

It follows that L doers will try to establish *ex ante* the (perverse) trustworthiness of others with whom they are considering interaction. They will look for signs of L-ness and select as partners only those that emit credible ones. In addition, L doers will, for their part, endeavour to signal their L-ness to persuade other L doers of their trustworthiness. Anyone who gives an indication of liking H-ness, of not adhering to the L logic, will be shunned. L doers will try to avoid dealing with H doers.

In support of this prediction, and in addition to our experiences, we can mention a few facts. Italy is among the few developed countries (if not the only one) that recruits virtually no foreign researchers in its universities;<sup>4</sup> also, few universities invite foreign lecturers. A reliable source, who wishes to remain anonymous, mentioned two cases concerning law faculties in major Italian cities. In one of these, ample funding meant

to be used to invite foreign professors goes systematically unspent, and according to our source, this is because local L doers fear that foreign H doers could make them look bad. In the other law faculty, the gross salary for a 20-hour teaching stint for an invited professor was recently reduced from €5000 to €1700, not apparently for lack of funding, but to discourage foreigners from coming and thereby to preserve the jobs of less financially demanding local protégés. The ostracism of H doers extends to Italians who have migrated. Evidence of this is that the Italian government itself has, on several occasions, established special funds which could only be spent on employing Italian academics who worked in foreign universities and wanted to return to their home country. No matter how internationally distinguished, the chances of expatriates obtaining a chair in regular competition were zero.

A major problem of selecting people for their L trustworthiness is that the most credible signs of it are emitted not by those who choose L as a strategy and could under different conditions revert to H doing, but by those who can *only* do L. The best way to persuade others that one is lax and incompetent, and thus a good ‘friend’, is not by pretending, but by truly being lax and incompetent – by being a genuine L-type. This contributes to the inverse meritocratic selection, a phenomenon sadly rife in Italy.<sup>5</sup> The custom police secretly recorded the conversations between Paolo Rizzon, Chair of Cardiology in Bari, and other colleagues involved in university appointment committees, among them Mario Mariani, a cardiologist in Pisa. As reported in *la Repubblica* (17 September 2005), Rizzon can be heard boasting to Mariani: ‘He was the best and we screwed him!’ ‘He’ refers to Eugenio Picano, a candidate whose impact score in terms of citations of scientific articles was nearly six times greater than the next best candidate, who got the job. Inverse selection is endemic in Italian academia, and much of it occurs because of corruption and nepotism. But the selection of L doers rather than H doers can arguably be sustained by the desire to keep L doers strong and unchallenged.

## H rhetoric

A key feature of the LLG is that the dominance of LL preferences remains veiled by the H rhetoric. Both parties collude by engaging in a sort of ‘joint mimicry’ and pass themselves off as H doers.<sup>6</sup> A teacher who pretends to teach benefits from students who pretend to learn, and vice versa. By jointly mimicking H, both parties may aim at fooling outsiders, or simply fooling themselves into sustaining a positive self-image.

The fact that people prefer LL exchanges while paying lip-service to H-ness makes our situation different from the transparent, mutually agreed exchange of lower-quality goods that we mentioned at the outset. In the latter case, there is no H façade. There is also, more importantly, no externality, both parties get what they expect and no one else suffers from L being exchanged. While in our case, at the very least, the credibility of H promises is undermined. If, in addition, our exchanging characters work for an institution that purports to be delivering an H service, the value of the institution’s service will be tacitly eroded by each LL exchange, as with a school in which teachers and students pretend to be teaching and learning, respectively.

But why, to go back to our example, do we not just agree on less teaching for less money? One can imagine a society of uniformly committed L doers who do not even

perceive H-ness at all and are entirely happy with what in another society would be regarded as L standards. It is conceivable that particularly insulated individuals brought up in an L world may remain blissfully unaware of the existence of higher standards.

To trigger tension and promote an H façade, the dominance of the LL preference must spread beyond the occasional isolated pairs of exchanging people, but at the same time it must fall short of becoming universal. It is in mixed situations that L doers cannot relax – when L doers still come into occasional contact with H doers, which threatens to intrude and destroy the comfortable LL equilibrium of the former. In these situations, L doers will have to deal with H-ness in some way, and this forces them to keep up the H rhetoric. We can think of three reasons for this.

1. To admit to L-ness could attract punishment or at least ridicule, especially when the norms of an institution overtly assume that H standards are to be expected – shouting ‘The king has no clothes’ would fatally undermine the legitimacy of the exchange or institution in which L doers thrive.
2. When the value of a good depends on its H image rather than on its actual H-ness and the image can partially resist the erosion caused by low quality, then there is an advantage to keep up the H façade.<sup>7</sup> There exist in southern Italy businesses selling olive oil adulterated with hazelnut oil and sunflower-seed oil under the label of ‘extra-virgin olive oil’. Some have attempted to justify the practice by arguing that thanks to the adulterated oil many people can afford to buy oil with the label ‘extra virgin’ at a reasonable price.<sup>8</sup> So, there are people interested in having at least the image of H-ness: ‘We pretend to buy good olive oil and you pretend to sell it.’ (In zoologists’ jargon, this is a case of ‘cooperative mimicry’, in which those who are apparently fooled cooperate with the mimic, with a view to fooling someone else.)
3. L doers may want to keep up a credible façade with their surrounding H communities because they gain from this. Also, L doers manoeuvre to prop up their reputation for H-ness with their naïve local audiences by being seen standing shoulder to shoulder (briefly and inconsequentially, but as noisily as possible, so as to be heard far and wide) with H doers, as in the case of L universities liberally dishing out honorus causa degrees. Which distinguished scholar would want a honorus causa degree from a university that frankly admitted to having abysmal standards?

Finally, the maintenance of an H façade may simply satisfy the need to reduce the cognitive dissonance between what one practices and what one preaches. The gap between H standards and L standards creates uneasiness among L doers who retain some awareness of H-ness. Even if they cultivate specious legitimizing reasons to practice L-ness (as we shall see below), many still seem aware that there is another set of reasons, which enjoin one to do H. The dissonance is reduced by always interacting with the same people, whom one can trust not to challenge one’s standards. L doers segregate themselves in mutual admiration societies.

The L rhetoric differs from Kuran’s idea of ‘preference falsification’ (1995), in which people hide their private preferences and publicly show a different ranking. In Kuran’s case, if people’s real preference ranking is P1, they display P2 as their preference, for

they believe (or at least fear) that a sufficient number of others prefer P2 and would find P1 objectionable. They falsify their public display of preference ranking because they have *false beliefs* about other people's preference rankings and do not want to be sanctioned. In our case, each player knows that everyone else with whom they play prefers L; they simply pretend that L is H, that the king is fully clothed. They pretend to believe that other people are not pretending when they in fact know that everyone simply pretends to believe that L is H. In Kuran's case, by contrast, they pretend to have P2 because they truly believe that others too have P2. In this case, by misrepresenting their preferences people end up supporting a suboptimal outcome, though each privately would prefer a different outcome. In our case, by misrepresenting their preferences people sustain their preferred outcome.

## L norms

L niches still dangerously surrounded by an H world, which threatens to intrude and destroy the LL dominance, will try to legitimize and protect themselves from deviations by developing social norms – the associated 'morals' will, in Humean fashion, follow interests. L doers will sanction each other if they deal with H doers, for this endangers the LL equilibrium they cherish. Moreover, if H doers slip through the net, they will cause embarrassment and discomfort, and will be resented and ostracized; in particular, if they complain after receiving an L, they will be sanctioned for complaining. In other words, L doers will connive in enforcing their LL preferences when people with other rankings encroach on their turf.

Norms, however, will have to be based on oblique reasons and bogus principles because nobody wants to risk piercing the façade of rhetoric by acknowledging overtly that LL is their preferred outcome. One would lose face that way. When Federico Varese (1996) accused Stefano Zamagni, a well-established Italian economist, of plagiarizing verbatim several pages from Robert Nozick, Varese was criticized by several Italian colleagues who together evoked nine norms or reasons that he violated by blowing the whistle. None of these include a justification of plagiarism per se. Varese (2000) discusses them in an unpublished article entitled 'Economia d'idee II'. They are worth listing; their range is staggering.

1. There is nothing original, everyone plagiarizes, so why bother? (journalist).
2. Whistle-blowers are always worse than their targets (sociologist).
3. What is the point of targeting Zamagni? They will never punish him anyway.
4. What is the point of blowing the whistle as you will pay the consequences (family and friends).
5. He is a good barone, much better than many others, so why target him? (economist).
6. Zamagni is a member of the left and you should not weaken the left during election times (economist and various friends).
7. Zamagni shows good intellectual tastes as he plagiarizes very good authors, so he does not deserve to be attacked (philosopher).
8. Given that many are guilty of plagiarism, targeting one in particular shows that the whistle-blower is driven by base motives.

9. In addition, an economist suggested an explanation rather than a justification, saying that the real author of the plagiarism was probably a student of Zamagni who wrote the paper for him. This would, funnily enough, imply that Zamagni was innocent of the plagiarism, but that he signed a paper he did not write, written by someone who also did not write it!

Zamagni's is not an isolated case. Several of the above reasons were invoked in defence of Antonio Villani, a political philosopher and former rector of the Institute Suor Orsola Benincasa in Naples, who was caught copying vast chunks of text from various German authors. Villani resigned without acknowledging personal responsibility and explained that due to his being short-sighted he had to rely on his assistants. Surprise at his resignation dominated over indignation<sup>9</sup> concerning his misdeeds. A more recent case of an accusation of plagiarism against the Italian philosopher Umberto Galimberti presents similar features. He copied several pages from a book by Giulia Sissa (an Italian classicist who works in California), who publicly denounced him. Galimberti defended himself and was defended by eminent colleagues in Italy by appealing to a number of extravagant justifications echoing those invoked in Zamagni's case, such as 'All philosophy is a form of plagiarism, so where is the problem?' and 'Giulia Sissa should feel honoured by being plagiarized by Umberto Galimberti because this will give a chance for her ideas to have a better circulation in Italy'<sup>10</sup> (though it is not clear how people reading the plagiarized text were supposed to know that Sissa was the real author).

The defenders of Zamagni, Villani, and Galimberti seem to belong to a natural 'cartel' of L doers: scholars and intellectuals who reassure each other of their H-ness and use their power to protect their mediocrity and prevent the intrusion of H doers. Zamagni would no doubt have preferred to have his paper skimmed by an L reader rather than have it H read by Varese. 'I pretend to write and you pretend to read, and if you stop pretending, you are no longer my friend.' In the end, Zamagni was not sacked by his university nor was he expelled from the *Società Italiana degli Economisti*. As Professor Caritat, the protagonist of Steven Lukes's Swiftian novel (1995, 1997) who is on a strange journey in quest of the best of all possible worlds, says: 'the law applies to one's enemies; for one's friends it is interpreted'.<sup>11</sup>

In the rest of this section, we look at other social norms, comparing and contrasting them with our L norms to try and establish to what extent our case is sui generis. To what extent, for instance, does our case resemble norms against excessive zeal such as those found in schools against *secchioni* (hard-working students) or in factories against Stakhanovites?

One might suspect that L doers are similar to those who in schools or factories gang up against those who work better and harder than they do, in general against those who keep up or raise standards of performance, making the rest look like worse performers or forcing them to increase their own standards. Especially when the rewards are insensitive to the quality of performance (for example, the salary at the end of the month is the same), there is no point producing at an H level of quality.

There are certainly elements in common between our case and this case. Agents form a cartel by agreeing to produce L and punish those who produce H, for they break the

agreement. For anti-Stakhanovites as well as for our L doers, doing L amounts to doing H with respect to their cartel agreements.

However, they differ in two ways. First, those who join forces to work less and worse are not trading with each other the good that can be produced at L or H, but are producing it for a third party: students aim to get the same qualification from school and workers the same salary from the capitalist at a lower cost to themselves. The anti-Stakhanovites do not exchange L goods with one another. Our case is more complex, for L doers exchange goods with each other even when operating within and for an institution or community. Second, in our case the enforcement of L is not explicit, but oblique. L doers do not openly claim to be enforcing L as the anti-Stakhanovites do; they claim that what they do is H and do not openly agree to aim for L. They are part of a *tacit* cartel in which everyone pretends to do his rightful part.<sup>12</sup>

To what extent is the enforcement of LL dominance sustained by norms against nonconformists? However motivated, generic conformist norms (such as ‘Don’t stick your neck out’ and ‘Do as everyone else does’) can reinforce *any* behaviour once it becomes the norm. So, one can expect that, in L worlds, conformist norms contribute to sustaining the dominance of LL exchanges.

Some conformist norms may have similar motivations to anti-H norms: nonconformists can make others feel bad and trigger spite and resentment (Elster, 1989: 189). Other conformist norms may be driven by preferences: some people could simply resent any manifestation of zeal. They would just dislike H doers qua H doers; they would hate do-gooders and punish them regardless of instrumental considerations.

But there are other conformist norms the reason for which differs from anti-H norms. Consider a consequentialist reason: *nonconformists may do the right thing in principle, but without considering the consequences for others*; nonconformists are unconditional perfectionists whose zeal harms the community. An example, discussed in Elster (1989: 193–4), is the disapproval of acts of resistance in German-occupied countries during the Second World War that could cause retaliation against civilians. Some of the reasons invoked as a justification for sanctioning H doers who complain about L show a preoccupation with the common good: norms 5, 6, and 7 above are invoked not so much in defence of Zamagni as of some higher-order unit (the academic community, the party, or the culture) which the zealous whistle-blower would damage. Still, these reasons seem disingenuous – merely aping the normative structure of genuine conformist norms. L doers seem unconcerned by the common good. As we have said, when an LL exchange takes place between people who work for a public institution it erodes the quality of the service, and those making the exchange do not seem to be bothered by this. Our cases can be described by a norm of this kind: *Accept a discount on H that benefits both of us, never mind the public good*. Those who enter these relationships develop objectives and incentives for cooperation that are in contrast with the objectives and incentives of the institutions they inhabit. Each new LL exchange reduces the chances of HH exchanges in the future.

This L norm may occupy a conceptual space similar to ‘amoral familism’, a set of practices and beliefs that Banfield (1958) identified in southern Italy as being the source of lack of economic and cultural development. In his fieldwork in Montegrano, a fictitious name he coined for a poor southern Italian village of 3400 people, Banfield

explained the extreme poverty and backwardness of the village by a lack of cooperation due to the ethos of its inhabitants of ‘maximizing the material short-run advantage of the nuclear family’ and discounting any moral consideration for the whole community. In our case, we have a similar social norm that encourages people to maximize the short-run advantage of a connivance relation that tolerates side-interests and LL preferences, while avoiding a form of HH cooperation, which, while more individually demanding, would be beneficial for the whole community (having a high level of teaching at the university, publishing high-quality papers, and so on).

The peculiarity of the LLG is that people who entertain this norm would not only apply it against H-prone family members who take into consideration the wealth of the community (like families in some developing countries who sanction those of their members who refuse to accept bribes), but also against other members of the community. There might be a sort of disposition to develop amoral-familistic relationships outside the family, with people who become ‘familiar’ thanks to a shared proneness towards LL exchanges. In our case, it is the L disposition that creates the familiarity, whereas in Banfield’s case it is the familiarity that creates an L disposition.

Our main point so far can be summed up thus. If you give me L, but in return you tolerate my L, we collude on L-ness, become partners in L-ness, and we not only tolerate each other’s weaknesses, but encourage them. But if you give me H, that leaves you free to disclose my L-ness and complain about it. So I fear and resent you, and if I cannot punish you for producing H, I avoid dealing with you. While in an ordinary world it is L doers who are punished by avoidance and exclusion, in an L-dominated world it is H doers who are ostracized.

There are three extensions which can be developed around our core model. We introduce them here, without any ambition to provide an exhaustive treatment. The first concerns cases in which L does not have a unique value, and coordination is required on which L level to exchange. The second one concerns mixed cases, either in the sense in which the same individual can play L on one table and H on another or in the sense that, where many agents are involved, an L doer wants to have some L partners, but still benefits from the presence of some H doers on whom he can free ride. The third concerns dynamic questions, that is, the conditions under which L exchanges are more likely to emerge.

## Extension I: L indeterminacy

So far we have discussed goods with two levels of quality, H and L. In reality, many goods have more than two levels. In these cases, in which, as they say in Torino, ‘There is not a limit to worse,’ there is an additional problem: How can one party be sure that the ‘discount’ will be matched by a comparable discount by the other party? That is, how can I be sure not only that your L is not going to be worse than mine, but also that mine is not going to be worse than yours? An L doer does not want to be cheated by not getting even a minimally decent L good, let alone any good at all, nor does he want to risk being perceived as an *uncooperative* opportunist by giving less than expected.

A classic case illustrating this question is the timing of appointments. We agree to meet at 10.00 when we both know that we will both be late. The question is how late?

How can we coordinate so that we both arrive, say, at 10.15? There is an infinite series of minutes by which one can be late. If we both fear arriving earlier than the other, how is each to decide at which minute to show up? In principle, this could lead the LL equilibrium to unravel, and no one ever to show up. So what, if anything, keeps it from doing just that?

Occasionally, there are higher-order norms that regulate the tolerance in the application of H rules: the 130 km/h speed limit in Italy comes with a higher-order norm of tolerating 10 km/h over the limit. The famous (or infamous) *quarto d'ora accademico* in Italian universities (lessons are assumed to start 15 minutes later than the time announced) is another instance of such higher-order norms.<sup>13</sup> *Il quarto d'ora accademico* is a *conventional solution* to the problem of getting everyone settled down. But in cases in which conventions do not help, how can LL dominance survive? How late can I deliver a promised paper? How much less money than I promised can I pay?

Arriving late without good reason in a domain of H precision signals some degree of untrustworthiness or lack of consideration. In a world in which everyone arrives late, by contrast, arriving late is not a sign of anything. Still, laxness and indeterminacy, typical of L environments, do not offer unproblematic solace. On the contrary, the indeterminacy as to what is the right L level is a cause of much anxiety and suspicion in our L world. Is this 'long' delay a sign that he is cheating or disrespecting me or does he simply have lower L standards than I do? Will, on the other hand, my long delay become a problem and offend my partner?

This indeterminacy has, we believe, two consequences. First, we can expect a high intensity of communications aimed at negotiating the grey area of L discounts. People will apologize, reiterate their promises, call back, profess undying friendship, and at the same time try to understand how low they can push L without losing their bond with the other party. The latter will be laid back, but only up to a point, and then start to signal that L is getting far too low for him to accept. A portion of the colossal amount of seemingly inane chit-chat, compliments, and mannered interactions in which many Italians engage may perhaps be a manifestation of such frequent need for readjusting mutual indeterminate expectations. Second, people will have a strong reason to deal only with those they know well because 'friends' are more likely to know each other's unacceptable 'discount rate' and to develop private conventions on just what is the threshold under which L would be unacceptable.

## Extension 2: mixed cases

We have assumed thus far that L and H tend to coincide with types of people and that the worlds built around either L or H are separate. It seems, however, plausible to relax this assumption: people can shift from one preference frame to another according to the type of good they exchange or the people with whom they exchange. As an academic, I can be H-prone about the quality of research, yet happy to tolerate quality discounts when dealing with teaching or administrative responsibilities. On the latter front, I can tacitly condone my colleagues' frequent absences from committee meetings, so that I too can be absent from time to time, knowing they will do the same for me when I am absent – while we all go on telling each other what a great H service we are doing for the common good of our institution.

There is another type of mixed case, one in which there are collectively produced goods. Imagine you are going to a conference, and feel reluctant to sit in the audience listening to every single presentation while outside the sun is shining and the location deserving of light-hearted exploration. At that point, you would be happy to identify some kindred spirits ready to join you in your escapade, or even inclined to spur some people to do so – ‘Come on, let’s have a little LL together!’ Your absence from the conference will be better camouflaged as one among several, and some company will allay your guilt. However, you also do not want everyone to be an L, at least not all at the same time, and leave the conference deserted. You are happy to free ride on a certain number of others who feel duty-bound to attend every single session. You play an LLG with some, but, as in a PDG, you want a sufficient number of others to be H while you enjoy your L.

Once we allow for mixed situations, the behaviour we have been describing may begin to seem more familiar and less extreme: our focus on Italian academia and its surroundings depends on the fact that it is the place in which we have unwittingly collected evidence of this behaviour. However, L exchanges could be a more widespread phenomenon, emerging wherever there is a pocket of opportunity in which people envisage mutually advantageous discounts to the quality of what they do. Spots of L can still erupt on the smooth complexion of H worlds and, conversely, L communities can still be graced by H standards in some domains. Food and hospitality are typical cases of Italian H-ness, genuinely maintained even in otherwise L-dominated domains. The local L doer, who may pay the invited professor little and late and be happy with a less than H lecturing tour, would still not fail to welcome his guest in the most exquisite manner, treating her to a wonderful dinner, displaying his H-ness in *savoir vivre*.

### Extension 3: dynamics

How can an L world or, more modestly, pockets of L exchanges emerge? A necessary condition has to do with the kind of goods being exchanged, only some of which tolerate an L exchange. One can only build a heating system which works, else it is not even a heating system, or perform a surgical operation on the correct limb. Goods such as these rule out L exchanges. Goods suitable for L doers come with some quality slack. One can write a paper at various levels of depth and clarity or put varying degrees of effort in to improving one’s institution or in contributing ideas to a workshop or in designing a book cover, in teaching, and so on. Certain public goods too seem fertile terrains for L exchanges. The game-theory literature has portrayed the provision of public goods as a PDG, in which one either cooperates or defects. In many cases, this framework is too draconian: when we are engaged in some collective endeavour with colleagues, neighbours, or other parents in the parent–teacher association, we may want to avoid the ignominy of blatant defection, while still putting in as little effort as we can in tacit collusion with the other participants. The LLG seems to us to capture exactly this more nuanced and arguably quite widespread solution.

One could even plausibly argue that we are naturally born L doers, and instead raise the reverse question: How did we ever manage to feel compelled to produce H? Albert Camus (1956: 29) wrote:

This is so true that we rarely confide in those who are better than we. Rather, we are more inclined to flee their society. Most often, on the other hand, we confess to those who are like us and who share our weaknesses. Hence we don't want to improve ourselves or be bettered, for we should first have to be judged in default. We merely wish to be pitied and encouraged in the course we have chosen.

If such a view of humanity is correct, how could we, a least some of us, come to care for H-ness?

There seem to be two forces that contrast with our supposed inclination to L-ness and promote quality: one is intrinsic, and is the passion for a job well done, the pleasure found in employing and testing one's skills at some task; the other is the pressure of competition, succeeding at which carries extrinsic rewards if people are prepared to recompense H more generously. Generically, these forces fail if the algebraic sum of rewards and punishments for H-ness is lower than the sum of rewards and punishments for L-ness. Even H-prone individuals are ultimately driven to stoop to L (or to become eccentric and isolated 'perfectionists' or to migrate) if they systematically fail to gain significant rewards from their effort. In short, L spreads if it pays off more than H does. This remains a tautology, however, unless we can understand the conditions that affect the relative pay-offs of H and L.

The pay-offs can be tilted in favour of L-ness endogenously, by coalitions of L doers who join forces to sanction H doers and to reward each other. In turn, this is frequency dependent: coalitions of L doers are more likely to emerge the higher the number of 'naturally born' L doers, of real L-types who are smart enough to join forces and gain power. When the number of H doers is low, H doers find it harder to meet, interact, and reward each other, and thereby to generate a virtuous circle.

The characters in our story do not operate in a void. They are not engaging in isolated dyadic exchanges, but are part of institutions and communities, which themselves can bestow punishments and rewards for H and L. It is when these are weak or unreliable that we can expect L exchanges to blossom: where rewards have a feeble sensitivity to H-ness, such as when jobs are unconditionally safe, salaries flat, there are barriers to upward mobility, and corrupt or friendship-based promotions dominate over merit-based ones. The only H doers left will be those driven by principle, by intrinsic motivations – the inveterate perfectionists. At the same time, L exchanges thrive where punishments for L doers are low, or have a low probability of being meted out or are negotiable. Perotti's work on the Italian higher education system (2002, 2008) shows that rules and regulations are imposed in an 'elastic' way: regulations for recruitment, promotion, and incentives are often just a 'formality' that can be circumvented.<sup>14</sup> For example, academics at all three levels (*ricercatore*, *professore associato*, and *professore ordinario*) are subject to a trial period of three years, after which they can, in principle, be denied tenure. All those who have been denied tenure have either been confirmed after one year by a different committee or have appealed to the administrative court (TAR), which has normally ruled for their reinstatement, even if at times in a different capacity. That is, in principle, punishments for L exist and they are sometimes applied, but one can wriggle out of them: they are negotiable and decried by L friends as unfair.<sup>15</sup>

## Conclusions

Like sickle cells (the classic pleiotropic trait), which cause anaemia, but make one more resilient to malaria, the dominance of L preferences can turn out to be a good thing. This occurs under two circumstances.

The tolerance of L-ness can be experienced as flexibility, acceptance of each other's shortcomings and of the unavoidable 'noise' produced by lives subject to conflicting demands. Sometimes it is just that, and occasionally we too take advantage of it: 'Italian builders never deliver when they promise, but the good thing is they do not expect you to pay them when you promise either,' as an American friend who had a house renovated in Italy said. L tolerance may have positive consequences when no public good is involved: the discount both parties accept may, at most, be at the expense of the credibility of their promises. Indeed, we could mention many positive anecdotes of Italian flexibility in dealing with unexpected situations, in jointly outwitting a rigid application of silly rules, and in coping with the wanderings of everyday life. This can at times make social life in Italy pleasantly relaxed.<sup>16</sup>

An altogether more dramatic positive effect of L proneness can be found in those cases in which H standards happen to be morally repugnant. The grand example of Italian flexibility in this regard is the lenient application of Fascist racial laws in the late 1930s, which resulted in a more humane treatment of the Jewish population by Italians than, for example, by French Petainists, Croatians, and of course German Nazis.<sup>17</sup> Lack of zeal, and lack of zeal in denouncing other people's lack of it, was indeed a blessing in this case. Italians have often shown a capacity for resisting questionable authority by means not of high principles, but mundane L instincts.<sup>18</sup>

Whatever its occasional benefits, to the extent to which the L propensity spreads to become dominant, it proves seriously detrimental – flexibility shifts to laxness, tolerance to sloppiness, and confusion to breaches of trust. Standards in Italian education, politics, media, and cultural creativity in general, although blessed by sporadic geniuses, have never risen and have quite possibly declined. One does not need to be an incurable or obsessive perfectionist to appreciate how sadly this is the case.

An implication of the LLG is that the threat to good collective outcomes is not just a by-product of free-riding, which can bring about suboptimal outcomes that are to the detriment of everyone, including the free-riders. There are subtler threats which are not unintended. The L world we have described identifies an outcome which the members of that world consider optimal for themselves collectively; it is also not an extra-normative world populated by isolated individual predators free to roam around, but one governed by its own 'perverse' *social* norms. The social sciences have focused on cooperation and on the social norms that sustain it, narrowly conceiving these norms as aimed at containing individualistic predators acting free of normative constraints. Social norms, in the dominant interpretation, exist as an antidote to our antisocial proclivities. What is interesting about our case is the suggestion that this distinction does not stand up, and that L does also operate within a normative structure – a special 'cement of society' that glues them together to their advantage and to the detriment of the common good.

## Notes

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1. *Pressapochismo*, an idiomatic expression, refers to accepting or producing results that are imperfect, sloppy, or poorly organized.
2. Recent experimental research carried out by Herrmann et al. (2007) has come up with unexpected evidence which may be germane to our case. They ran the so-called public-good game with university students in 15 cities in the developed and developing world, from the USA to China, the UK, Russia, Turkey, and Saudi Arabia. Their experiment does not fully match our case as here players do not make any agreement among themselves. However, a parallel can be established by conceiving of those who give a greater contribution to the public good as H deliverers and those giving a smaller one as L deliverers. Traditionally, their preference ranking should be that outlined in the first of the three preference rankings outlined above, namely, LH, HH, LL, and HL. What Herrmann et al. (2007) found was that in all 15 cities subjects punished free-riders (here defined as those in the group who contributed less than other subjects did). In other words, H contributors punish L ones as one would expect. But the puzzling finding is that in some cities subjects also punished those who contributed *more* than they did. In other words, there were some L doers who punished H doers. If we can attribute a preference ordering to such individuals, we would have to say that they prefer LL to everything else, just as in our case (that is, in the third of our preference rankings), and they are even prepared to enforce L-ness *at a cost to themselves*. Going in descending order of size of punishment, punishment of more generous contributors was found in Muscat, Athens, Riyadh, Samara, Minsk, Istanbul, Seoul, and Dnipropetrovs'k. Although not entirely absent, this type of punishment proved negligible in Boston, Nottingham, St. Gallen, Zurich, Copenhagen, Bonn, and Chengdu.
3. A large literature exists on how cooperation is maintained in iterated PDGs (for example, Batali and Kitcher, 1995; Kandori, 1992; Vanderschraaf, 2007). This literature generally assumes that a player responds to a defection by another player by defecting in turn, thus inflicting a cost on the violator, who, by anticipating this response, is better off cooperating. The LLG differs from this: the iteration of the LLG can be upset only by an undetected 'intruder', for, as we have said, no one with LL preferences has a reason to deviate from the LL equilibrium. Suppose Player 2 is such an intruder, with an ordered ranking such that, for example, HH > LH > LL > HL, who thinks erroneously that he is facing someone (Player 1) with preferences identical to his own. But Player 1 is in reality an L doer who also erroneously believes that Player 2 is like he is. Player 2 will deliver H and Player 1 will deliver L. Both will be disappointed as neither gets their preferred outcome: Player 2 gets his lowest outcome (HL) and Player 1 gets his second-best outcome (LH). Neither has any means, within the game, to punish the other in order to induce him to play differently next time (unless, of course, they have some exogenous means to sanction each other). This is because there may not be a next time, since both players have a reason to stop playing in order not to be fooled

- twice. But suppose, for the sake of argument, that they go on playing. If Player 1 played H this time, this would not amount to a sanction for Player 2, of course: on the contrary, Player 1 would pay a greater cost *and* Player 2 would feel happier, rather than sanctioned, as he would now get his preferred outcome (HH). However, if Player 1 played L again, then Player 2 would withdraw, regretting not having done so already. Also, Player 2 has no way to induce a change in behaviour in Player 1. If he chose L, he would simply do what Player 1 prefers (LL). Given both players' mismatching preferences, they are stuck, and the only way they can do better is to stop playing. The LLG is best thought of as a game in which one can choose one's partners.
4. There are few counter-examples. One worth mentioning is the Department of Cognitive Science of the University of Trento, which has hired 9 foreign professors of a total of 35 employees. (We thank Vittorio Giroto and the Dean of the Department, Remo Job, for this information.)
  5. For a discussion of incompetence as a signal of trustworthiness and inverse meritocratic selection, see Gambetta (2009: ch. 2).
  6. On the notion of 'cooperative mimicry', see Gambetta (2005).
  7. An example of the impact of reputation and image on price is given by Landon and Smith (1998) in an article on the market for Bordeaux wines.
  8. For a detailed report on olive oil frauds in Italy, see Mueller (2007).
  9. Compare Pacitti (1997).
  10. The first justification was formulated by the Italian philosopher Gianni Vattimo. Compare *Il Corriere della Sera* (2008).
  11. Here, we quote from the epilogue that has been added only to the Italian version of the book (see Lukes, 1997: 282).
  12. In *I'm All Right Jack* (1959), a film with a brilliant performance by Peter Sellers playing the part of a trade unionist, one can see what happens when an accidental H intrudes and reveals that the pace of work in the factory is many times slower than it could be.
  13. The *quarto d'ora accademico* could also be a norm of respect for the professors, who enter the class quarter of an hour later, while expecting the students to be there on the dot, so that by that time everybody has taken their seat and there will be no interruptions. Such a norm existed in German universities in the 19th century, as Federico Varese informed us in comments on a previous version of this article.
  14. Perotti also invokes as a possible explanation a game-theoretic 'perverse equilibrium' that could emerge, after repeated interactions, in the tacit norms of nepotism: 'If A thinks that B will recommend his *protégé*, A will feel obliged to recommend his own *protégé* in order to avoid an unfairness: given that B thinks exactly in the same way, both will recommend their *protégés*' (2008: 7).
  15. Compare Perotti (2008). Again, a literary description of this lack of normative certainty and sloppiness in the application of rules is given by Professor Caritat in Lukes's novel (1997: 283–4):

So institutions are unreal and social life consists in a Great Web of mutual personal indebtedness ... What keeps this system going? What prevents people from deviating from the expectations of others? It is not trust (since, except within families and among friends, neighbours and workmates, this scarcely exists), or a sense of civic duty (ditto) or loyalty to the state (the state being the citizens' main enemy). Nor is it the prospect of guilt or shame

(since this society has neither a guilt nor a shame culture). Perhaps it is the very practice of law-breaking itself. For not only is it very hard not to break laws (since obeying most laws meant breaking others); doing so ingeniously is warmly encouraged and widely, if tacitly, admired. Yet this freedom from legal restraint gave power to the indeterminate class of one's actual and potential enemies, on whom one could count, in suitable circumstances, to denounce any small or large infraction, whose punishment, according to the rigid application of some appropriate statute, would then be inescapable. In this way, not law but law-breaking is the foundation of social order: a game, of universal complicity in which one can only lose by being found out. Complicity oiled by favours and backed by fear. And the more substantial and widespread the complicity, the less real the fear.

16. The French historian André Kaspi explains the better treatment of Jews in Italy in terms of inefficient exchanges: 'Une dose d'inefficacité et une grosse pincée de corruption ont empêché que les Juifs italiens connaissent le sort de leurs coreligionnaires allemands' (1997: 293).
17. See Poliakov (1951). An interesting representation of this mixture of the good-heartedness and sloppiness of Italians can be found in this quotation from the French historian and playwright Philippe Erlanger (1974: 246): 'un régiment italien defile sous nos yeux ... Ah! Ces plumes de coq que je me raproche d'avoir betement plaisantées ainsi que d'autres! Elles figurent la colombe de l'arche.' (Thanks to Vittorio Girotto for this reference.)
18. If there really is a higher frequency of naturally born L doers among Italians, it may find an explanation in the following. We can conjecture that a 'good' historical origin of the practice was as an adaptive response to oppressive norms imposed by the many colonizers of the country throughout its history. Perceived as unacceptable, whether for financial, moral or cultural reasons, they may have been resisted or circumvented by the ability of the dominated population to pay lip-service to them (H rhetoric) while at the same time covertly colluding in flaunting them. A different, and more subversive form of resistance to power is epitomized by *The Good Soldier Švejk* (the hero of Jaroslav Hašek's humorous classic novel) whose tactic consists of applying to the letter (and thus unimpeachably) the inept norms of the army authorities, and thereby bringing about catastrophic consequences.

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