UNIT 6: EXCHANGE

UNIT STRUCTURE

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6.1 LEARNING OBJECTIVES:

After going through this unit, you will be able to

- know the concept of exchange in terms of Economic Sociology.
- know the meaning of Reciprocity and gift.
- understand different perspectives on exchange.

6.2 INTRODUCTION

Exchange is the process of transferring things and gifts between social actors present in all societies. Individuals are motivated by self-interest and they always look forward to maximizing profits in social interactions. Cultural Anthropologists studied the balance and order of primitive societies in terms of giving and taking social behaviour. Thus reciprocity is an essential aspect of social life. Many relationships are made with a certain amount of give-and-take, but this does not mean that they are always equal. The social exchange suggests that it is the value of costs and benefits and people must maintain the social relationship. This unit attempts to cover the meaning of social exchange as well as a different perspective on Social Exchange by Bronislaw Malinowski, Marcel Mauss and Levi Strauss. It also tries to simplify the concepts of Reciprocity and Gift.

6.3 Exchange as a concept

Men as rational being motivate by self-interest and maximize their profits in social interaction. People who are involved in the interaction are rationally seeking to maximize their profits. By exchanging gains and loss, rewards or punishment, human beings interact with each other. Exchange is the result of efforts by people to realize basic needs. This exchange process leads to interaction pattern and these patterns of interaction not only serve the needs of individuals but also compel the kinds of social structures so that it can bring change. People have access to information about social, economic, and psychological aspects of their interactions that allow them to consider the alternative, more profitable situations relative to their present situation. People are rational and calculate the best possible means to compete in rewarding situations. The same is true of punishment avoidance situations.

Some of the assumptions of exchange are:

- Human beings are always in an attempt to make some profit in the transaction with others.
- They engage in the calculation of cost and benefits in a social transaction.
- They are always acting in constraints but still, they compete with each other to make a profit.
- When human beings entered in exchange relation, they are bounded with limited resources. (Turner, 2011)

Social exchange theory enhances interpersonal communication as it develops from shallow or dull relations to intimate relationships. People are not only aware of what is around them but also aware of their awareness. This theory implicates that human beings are aware of each other's concerns and needs. Thus, this enhances effective communication amongst people. Social exchange theory would be a valid paradigm for studying and explaining how people form networks, express their opinions, and pass information to each other in applications such as Wikipedia, YouTube, Face book, and Twitter.



CHECK YOUR PROGRESS

Q.1. What is meant by exchange? Put forward one assumption.

Q.2. What is the important function of Social Exchange theory?

Q.3. In what way exchange serves people?

6.4 RECIPROCITY AND GIFT

Origin of reciprocity can be traced from Thomas Hobbes in his work "Leviathan" that talks about the fact human being renounces a right to possess something in return in a reciprocal exchange. The roots of reciprocity are also found in the work of Adam Smith, The Wealth of Nation (1776). The background of reciprocity can be traced to the Latin word reciprocal that means moving back and forth. Reciprocity is a social norm that involves in-kind exchanges between people-responding to another's action with another equivalent action. It is usually positive i.e. demonstration of generosity is often followed by a gift in return and negative reciprocity that means a cunning behaviour which attracts a revengeful action in return. Reciprocity is an interesting concept from the perspective of behavioral economics; because it not only involves an economic exchange, but organizations that often apply reciprocity norms in practice, for example, hospitals may ask former patients for donations. Reciprocity is also used as a social influence tool in the form of 'reciprocal concessions', an approach also known as the 'door-in-the-face' technique. It occurs when a person makes an initial large request, followed up by a smaller request if the initial request is denied by the responder. Reciprocity is an exchange between social equals that is mostly a non-market exchange ranging from barter to forms of exchange where a return exchange is expected. According to Marshall Shahlin, social relations are based on the practice of reciprocity. There are three types of reciprocity- Generalized Reciprocity, Balanced Reciprocity, and Negative Reciprocity. Generalized Reciprocity is an

exchange between closely related individuals. Here the value of a gift is not calculated and return is not either expected. Balanced Reciprocity is a type of exchange between people more distantly related where giver expected something in return and here exchange takes place immediately. In Negative Reciprocity, people are very distantly related or not related at all. Here exchange is the immediate goal and receives something at any cost, i.e. attempts to get something for nothing. The norm of reciprocity is the expectation that people will respond favorably to each other by returning benefits for benefits. This often takes different forms in different areas of social life in different societies. For example gratitude, mutual goodwill etc. are the underlying norm of reciprocity that itself a powerful engine for motivating, creating and regulating social behaviour. The power of the norm of reciprocity may also lead to malicious act, for instance, techniques used in advertisement or propagandas where a small gift is offered with an expectation of producing a desire. In simple terms, reciprocity means to give back to others because people have to receive gifts in return. It can be further understood in terms of exchange and feedback mechanism necessary for the good functioning of the society.

Gift Economy or give and take process build a relationship mostly found in non-western societies. Reciprocity is the distribution of goods and services based on the principle of gift-giving. Gift exchange involves many economic aspects including reciprocity, for example, Malinowski's work on Trobrianders where armlets are exchanged with a necklace in a pattern of Kula ring or the Fisherman of the island gives a gift in the form of fish to the inland communities and in return, the inlanders too gave them a gift. The Gift (1924) of Marcel Mauss is a comparative study of gift exchange in non-western societies that recognized it as a spiritual process, or that it gives an identity to the Giver. Mauss focused on the function of group solidarity and emphasized on the societal notion of obligation and this obligation is to give and receive. Mauss did ethnological studies in Polynesia, Melanesia and the North-West of America. He tried to analyse the reciprocity exist between humans and argued that it is Hau, a concept found in this civilization.

Mauss finds three distinct obligations that he calls gift exchange; the obligations are to give, to give back, and to receive. Some of the examples put forward by Mauss are as follows- In Polynesia, the term potlatch is used means giving presents. This tradition comes from the Chinook Indians where gifts are exchanged between the tribal chief and the goal was carried in terms of generosity. Again Guanxi is a Chinese term means is a network that promotes mutually beneficial exchange between individuals. Each participant must return the favour to maintain the relationship. Marcel Mauss' The Gift synthesizes the ethnographic research results on the practices related to the gift. It is a relational and universal principle of exchange leading to the peaceful association of human beings through mutual obligations to give, receive and return presents. Mauss sees the gift as a collective phenomenon, or, as he said, as a total social fact, as well as a means to change modern society by making modern human beings more aware of their anthropological roots. Thus, according to him,the gift is not a phenomenon specific to foreign societies and cultures. It is at the core of all our societies.

Jacques Derrida criticizes Mauss in giving gifts that shows demand reciprocity because of the possession of rights associated with the expectationing of gifts in return. The term gift coined by a Mauss is a bit of contradiction because exchanging is based on the right to demand a counterpart, whereas gift only gifts as it is letting go of that right. The concept of fake gift or poised gift is a gift with an expectation of getting something in return put pressure on the individuals that can lead to threats. It was something like a moral debt, bondage and hypocrisy that can lead to corruption.



CHECK YOUR PROGRESS

Q.4. What are the types of Reciprocity?

Q.5. What are the obligations of gift exchange put forward by marcel Mauss?

Q.6. Trace the origin of reciprocity.

Q.7. State the difference between positive and negative reciprocity.

6.5 Perspective on Exchange : Malinowski, Mauss and Legi Strauss

Social exchange theory was associated with rational choice theory as developed in neo-classical economics. It is the principle of utilitarian economics of social exchange theory prompted by George Homans and others to theorize on human behaviour as profit-maximizing decision on a rational basis. Social exchange theory was developed in the year 1958, by the sociologist George Homans. He defined social exchange as the exchange of activity, tangible or intangible and more or less rewarding or costly, between at least two people. The leading anthropologist Bronislaw Malinowski's study of Trobrianders of the Melanesian islands or the comparative account of many primitive societies by Marcel Mauss emphasized on the social role of Gift exchange are related to social exchange theory. Thus social exchange theory based on the assumption of rational choice theory as it explains social change and stability as a process of negotiation between parties.

- **Bronislaw Malinowski:**

Bronislaw Kasper Malinowski was born on 7 April 1884, in Krakow, then part of the Austro-Hungarian province known as the Kingdom of Galicia and Lodomeria, to an upper-middle-class polish family. He was an anthropologist and known as a father of Social Anthropology whose writings on ethnography, social theory and field research had a great influence on the discipline of anthropology.

In his ethnographical study "Argonauts of Western Pacific", he studied Trobriand islanders, a group of South Seas Island, and observed a unique pattern of exchange system, and termed it as Kula ring. It is nothing but a closed circle of exchange relationships among the individuals where they used to exchange armlets and necklace. Travelling in one direction of the kula ring armlets were exchanged for the necklace. Malinowski recognized that kula was not only an economic or material exchange network but also a symbolic exchange, a web of social relations. He noted that exchange in Trobriand is not purely a utilitarian and economic aspect rather the motives

behind kula were psychological and needs to be fulfilled by both individuals and the society. Thus for Malinowski Kula ring is considered to satisfy the psychological needs and societal needs for social integration and social solidarity.

Some of the analysis is-

- Kula is considered instrumental and rational as it satisfies the economic needs of the people.
- The forces that sustain exchange relation are psychological rather than economic and it explains the social behaviour.
- Symbolic exchange relations are the basic social process that underly both differentiation of ranks in society and the integration of society into a cohesive and solidary unit as a whole. (Turner,2011)

- **Marcel Mauss**

Marcel Mauss was a French Sociologist who was born in Épinal, the Vosges to a Jewish family on 10 May 1872. Mauss' academic work goes across the boundaries between sociology and anthropology. Today, he is known for the contribution to areas such as magic, sacrifice and gift exchange in different cultures around the world. Mauss had a significant influence upon Claude Levis Strauss, the founder of Structural Anthropology. Marcel Mauss reinterpreted Malinowski's analysis of the Kula and formulated a broad structural exchange perspective. The individuals engaging in such exchange represent moral codes i.e. are the rules according to the group. He replaced Malinowski's Psychological needs with collective thoughts of Durkheim and emphasized on the representation of individuals of the group. Exchange relation creates, serves and reinforces group morality and to regulate their social life. Thus Mauss influenced the exchange perspective of modern sociological thought.

- **Levi Strauss**

Claude Levi-Strauss was born to French Jewish parents on 28 November 1908. He was a French anthropologist and ethnologist whose work was famous in the field of development of the theory of structuralism and structural anthropology.

Claude Levis Strauss had a classic work on cross-cousin marriage "The Elementary Structures of Kinship". He rejected Frazer's interpretation of cross-cousin marriage and opposed Malinowski's psychological needs and developed a structural-exchange perspective.

Frazer depicted that poor aborigines of Australia do not have material gains to obtain wife, so they exchange their sisters in marriage as it is the cheapest way of getting a wife. Levi Strauss rejected the utilitarian conception of Frazer that emphasized on counts and not in the things of the exchange process. For Levi- Strauss exchange is viewed in terms of the function that helps in integrating larger social structure. Levi Strauss also rejected Malinowski's psychological needs of the exchange process and he put more emphasis on the cultural heritage of norms and values of human beings that separate their behaviour and societal organization from animals. Human action is qualitatively different from animal behaviour to social exchange. (Turner, 2011).



CHECK YOUR PROGRESS

8. What is meant by Kula as an exchange system?
9. Write a note on Frazer's interpretation of exchange.
10. Give a brief on Marcel' Mauss contribution.
11. What aspect of Malinowski's study was replaced by Mauss?



6.6 LET US SUM UP

- Exchange process leads to interaction pattern and these patterns of interaction not only serve the needs of individuals but also compel the social structures that it can bring change.
- Social exchange theory enhances interpersonal communication as it develops from shallow or dull relations to intimate relationships. Social exchange theory was developed in the year 1958, by the

sociologist George Homans. He defined social exchange as the exchange of activity, tangible or intangible and more or less rewarding or costly, between at least two people.

- This theory implicates that human beings are aware of each other's concerns and needs thus this enhances effective communication amongst people.
- The leading anthropologist Bronislaw Malinowski's study of Trobrianders of the Melanesian islands or the comparative account of many primitive societies by Marcel Mauss emphasized on the social role of Gift exchange are related to social exchange theory. Thus social exchange theory based on the assumption of rational choice theory as it explains social change and stability as a process of negotiation between parties.
- Gift exchange involves many economic aspects including reciprocity, for example, Malinowski's work on Trobrianders where armlets are exchanged with a necklace in a pattern of Kula ring or the Fisherman of the island gives a gift as a form of fish to the inland communities and in return, the inlanders too gave them a gift.
- The Gift (1924) of Marcel Mauss is a comparative study of gift exchange in non-western societies that recognized it as a spiritual or give an identity to the Giver. Mauss focused on the function of group solidarity and emphasize on the societal notion of obligation and this obligation is to give and receive. Mauss did ethnological studies in Polynesia, Melanesia and the North-West of America.
- Claude Levis Strauss had a classic work on cross-cousin marriage "The Elementary Structures of Kinship". He rejected Frazer's interpretation of cross-cousin marriage and opposed Malinowski's psychological needs and developed a structural-exchange perspective.



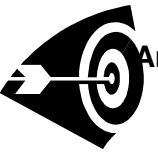
6.7 FURTHER READING:

- Kundu, Abhijit .2012. Sociological Theory. Pearson publication
- Turner, Jonathan. H. 1987. The Structure of Sociological theory. Rawat publication

6.8 ANSWER TO CHECK YOUR PROGRESS:

Ans to Q. No. 1 Exchange is the process of transferring things and gifts between social actors present in all societies. By exchanging gains and loss, rewards or punishment human beings interact with each other. Exchange is the result of efforts by people to realize basic needs.

Ans to Q. No. 2 Social exchange theories help to develop interpersonal communication aware human beings of each other's concerns and needs, thus this enhances effective communication amongst people.



Ans to Q. No. 3 Exchange process leads to interaction pattern and these patterns of interaction not only serve the needs of individuals but also change the social structures. One of the assumptions of exchange was that Human beings are always in an attempt to make some profit in the transaction with others.

Ans to Q. No. 4 According to Marshall Shahlin there are three types of reciprocity- Generalized Reciprocity, Balanced Reciprocity, and Negative Reciprocity. Generalized Reciprocity is an exchange between closely related individuals. Balanced Reciprocity is a type of exchange between people more distantly related where giver expected something in return. In Negative Reciprocity, people are very distantly related or not related at all.

Ans to Q. No. 5 Mauss finds three distinct obligations that he calls gift exchange; the obligations are to give, to give back, and to receive. Some of the examples put forward by Mauss are as follows- In Polynesia, the term potlatch is used means giving presents, again

Guanxi is a Chinese term means a network that promotes mutually beneficial exchange between individuals etc.

Ans to Q. No. 6 Origin of Reciprocity can be traced from Thomas Hobbes in his work Leviathan talks about the fact human being renounces a right to possess something in return in a reciprocal exchange. The roots of reciprocity are also found in the work of Adam Smith' The Wealth of Nation (1776).

Ans to Q. No. 7 Positive reciprocity means to give back to others because people have to receive gifts in return. It can be further understood in terms of exchange and feedback mechanism necessary for the good functioning of the society. Negative Reciprocity people are very distantly related or not related at all. Here exchange is the immediate goal and receives something at any cost, i.e. attempts to get something for nothing.

Ans to Q. No. 8 In Malinowski's ethnographical study "Argonauts of Western Pacific" he studied Trobriand islanders a group of South Seas Island and observe a unique pattern of exchange system termed it as Kula ring. It is nothing but a closed circle of exchange relationships among the individuals where they used to exchange armlets and necklace. Malinowski recognized that kula was not only an economic or material exchange network but also a symbolic exchange, a web of social relations.

Ans to Q. No. 9 Frazer depicted that poor aborigines of Australia do not have material gains to obtain wife, so they exchange their sisters in marriage as it is the cheapest way of getting a wife. Levi Strauss rejected the utilitarian conception of Frazer that emphasized on counts and not in the things of the exchange process. Thus this is the interpretation of an exchange system by Frazer.

Ans to Q. No. 10 Mauss' academic work across the boundaries between sociology and anthropology. Today, he is known for the contribution of topics such as magic, sacrifice and gift exchange in different cultures around the world.

Ans to Q. No. 11 Marcel Mauss reinterpreted Malinowski's analysis of the Kula and formulated a broad structural exchange perspective. The individuals engaging in such exchange represent moral codes i.e. are the rules according to the group. He replaced Malinowski's Psychological needs with collective thoughts of Durkheim and emphasized on the representation of individuals of the group.



6.9 MODEL QUESTIONS

A. Answer the following question in one word:

1. Who coined the term Gift?
2. Who wrote Argonauts of Western Pacific?
3. Who wrote The Elementary Structures of Kinship?
4. Who wrote The Wealth of Nation?
5. Who is known as the father of Social Anthropology?
6. Who is known as the founder of Structural Anthropology?

B. Write short notes on: (answer within 150 words)

1. Reciprocity is also used as a social influence tool in the form of 'reciprocal concessions', an approach also known as the 'door-in-the-face' technique. Explain
2. Put forward Mauss interpretation of a gift economy.

C. Long question: (answer within 300- 400 words)

1. Discuss the concept of social exchange put forward by Malinowski, Mauss and Levi Strauss.

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