

Reciprocity as a Generating Process in Social Relations

DURAN BELL

*School of Social Sciences
University of California at Irvine
Irvine, CA 92717*

ABSTRACT. By means of a series of logical arguments this paper presents the fundamental proto-cultural properties of reciprocity as an elementary distributive mechanism. The exact meaning of "balanced exchange" is derived and contrasted with exchanges that are satisfactory, yet not balanced, or balanced but not satisfactory.

The paper also presents the set of rules by which exchange and balanced exchange can be unambiguously recognized in ethnographic investigation, together with examples of error found in the literature.

KEYWORDS: exchange, balanced exchange, reciprocity

I. INTRODUCTION

In terms of the received theory, it has been impossible to understand how a complex social relation can be balanced in value for the two parties; and there has been no alternative to the examination of specific inter-party flows which transpire as components of the social relation. However, even here, an "exactly" balanced exchange exists only in the case where similar persons are exchanging similar things (Meillassoux 1975: 65; Sahlins 1972: 194). Hence, the *exchange of* bridewealth cattle for a woman is thought to be meaningful only when the cattle are perceived to be the representation of, or an IOU for, another woman. This perspective leads one immediately into confusion, since it is clear that people accept an exchange of daughters only with very particular sets of others.

In the common case where mutual exchanges involve seemingly incommensurable goods and services between dissimilar persons, it has been common to say that the exchange is balanced *if both parties are satisfied with the bargain* (Leach 1952: 51; Barth 1981: 40). However, this is a most unsatisfactory state in which to leave the issue. While we may believe that people should be satisfied with balance, it is necessary in a scientific analysis that we know what it is that is balanced; and it is necessary to know how it is that people ascertain the degree of balance or imbalance.

As anthropologists, we should not simply wave our hands at these issues. If we don't solve them, no one will.

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DURAN BELL

When the parties are "satisfied with the bargain," it is presumed that they have made an assessment of relative benefit.

"Balanced reciprocity" may be more loosely applied to transactions which stipulate returns of commensurate worth or utility within a finite and narrow period. (Sahlins 1972:195)

This is an ancient view of the issue (see Aristotle's *Nicomachean Ethics* BK VIII), but it cannot be correct. There are two independently definitive reasons for dismissing this idea. First, there can be no intelligible scientific meaning to the assertion that two persons enjoy the same level of benefit from an exchange unless the persons involved and the goods exchange are identical. In this case benefits are equal by definition. But in the more general case we cannot even begin to define what it is that must be measured and compared; utility contains no known unit of measurement.

The reader may remark that science has failed to measure benefit where common sense has prevailed: Even though an explicit method measuring and (interpersonally) comparing utility has not been discovered it appears that ordinary people can do so within the context of intimate personal relationships. Indeed, I have argued (Bell 1991) that if person A believes that exchanges can and should be balanced in benefit and interacts with others in terms of that belief, then A will believe that the benefit received from the reciprocal responses of others corresponds with the level of benefits provided by his or her gifts to others. Hence, if the benefit to A of the return gifts is low, then A must conclude that that others gained little from his or her gifts and that the gifts had been given to the wrong people. If A is an altruist, the flow of gifts should be allocated toward those for whom the consequential benefits are greater as reflected by *the benefit to A* of the return gifts. If A is selfish, those gifts should be allocated to those who benefit most because A desires to increase the benefit of the return gifts. In neither case will it be apparent to A that "equal levels of benefit" is a meaningless idea. On the contrary daily experience reinforces that belief.

The second reason for rejecting the equality of benefits criterion is that there are many exchange relations that are highly valued by both parties for which the balancing of benefit cannot be presumed. The patron-client relation is the extreme case of a presumed imbalance in benefit: Generally each client is perceived to gain more from the patron than does the patron from a given client; and where the benefits to the patron from the *set* of clients is presumed to exceed the benefit received by each client. Although we cannot measure benefit, the patron-client relation is one where the parties differ maximally in social characteristics and where the perception of differences in benefit has greatest plausibility. Hence, it is clear that the criterion of equal benefits, as a basis for mutually acceptable exchange relations, does not apply. I shall now show that balanced exchange is inconsistent with differentials in benefits.

II. THE LOGIC OF RECIPROCITY

Although the basis of balanced exchange is not evident from direct observation of exchange processes, we can uncover that basis through logical deduction. Consider the following propositions:

Suppose that there is a stable exchange relation between two parties and suppose that:

(a) On the basis of their evaluations of this exchange relation, each party prefers to maintain that relationship rather than do without it; and

(b) Given the cultural definitions of the situation and the applicable social constraints, each party has evaluated *a number of alternative exchange relationships* and perceives that there is no preferred *feasible* alternative.

Then, it follows logically that:

Each party should prefer to maintain this relationship ["be satisfied with the bargain"].

The reader may observe that the conclusion follows unavoidably from the premises. If a person prefers a given state of affairs to any alternative, he or she will be pleased to continue it. This is usually what we mean by preference and does not constitute an earth-shattering observation. However, it is also true that a person should not be satisfied unless those premises are sustained — the conclusion implies the premises. This is not a trivial observation. If the parties are satisfied with the bargain, these criteria should be satisfied.

We see this by considering the consequences of dropping either premise. It should be clear that if either is dropped, the conclusion fails. A person should prefer to abandon a relationship if it prevents the establishment of a preferred relationship; and a person should have no relationship whatsoever if none of the alternatives is preferred to having no relationship at all. And people will do as they should "if they know what's good for them" (in terms of their own preferences). We conclude that the premises are the *necessary and sufficient conditions* for justifying satisfaction with the "bargain."

When I say that a person has preferences, it is to be understood that such preferences are structured on social definitions of value vis-à-vis material and non-material resources, as well as on socially derived representations of self. And the force of any socially defined constraints that prove to be binding on behavior, or which are overcome, ignored or violated, are recognized in the formation of "his own" preferences. This is not an individualistic perspective on the question of value unless the concrete situation so justifies.

Although the logic of the above preference propositions is simple and direct, the implications are dramatic. It means that our understanding of balance with respect to any particular dyadic relation can be considered only in relation to a set of alternatives. One cannot define balance by reference to the mutual benefits or other characteristics of the dyadic relation. When each party has searched among the set of feasible options and has found the partner whose reciprocal flows of material and non-material gifts are most preferred — when each party has found the party that provides it with the most, given what it has to offer — then each party should be satisfied with the deal. But that is not all.

We know that the exchange value of anything is precisely, and by definition, the most valuable thing that can be obtained in exchange for it within in the context of many alternatives. So that, if an exchange relation between A and B is the most preferred (most valuable) that either A or B can obtain, then it follows that the flows of resources from A to B have an exchange value that is defined by the value to A of the flows from B to A, and vice versa. Consequently, the condition under which A and B should be satisfied with the deal is precisely the condition where the value of the relation from A to B equals the value from B to A; and the relationship is exactly balance in exchange value. This may be called the **Fundamental Law of Exchange Value**; it provides the conditions under which persons should be satisfied with an exchange-based social relation.

It follows that equality of mutual benefit cannot be the criterion that is satisfied in balanced exchange relations. First, we know this because benefits cannot be measured for interpersonal comparisons; and secondly, even if they could be measured, relationships that satisfied the "equal benefit" criterion would not satisfy the Law of Exchange Value, except by accident.

The literature on exchange has suffered from a fascination with strictly two-party confrontations that require a specification "power" relations or bargaining strategies. It has failed to recognize that two-party relationships can be understood only by reference to the large number of non-activated relations that are feasible within that social context. We shall address the problem of a strictly two-party world in the next section. But I wish to emphasize here that (given certain theoretical exceptions) *balanced ex-change* relations arise only when *at least one* of the members of any realized dyadic relation has a number of alternatives to the chosen relationship (the standard one-sided monopoly yields a balanced solution).

III. SOME CHARACTERISTICS OF BALANCED RELATIONS

A. An exchange relation can be defined as the sequence of material and affective flows between parties. Exchange relations are substantively

realized by long-term processes of social interaction of people with people, such as gift exchange, intertribal trade, marital alliances and friendship relations. A snapshot that captures only a fragment of a flow of exchanges decontextualizes the process and is not properly analyzable as a balanced exchange. However, there are many single event exchange processes that are balanced, since they are analyzable as temporally truncated versions of a social relation. Chronological time, as such, cannot be an element in this analysis.

B. In defining balanced relations it has not been required that the persons involved be satisfied. Rather, we have specified the conditions under which they *should* be satisfied. *Our criterion does not depend on the perceptions of the parties.* A particular party may have an exaggerated sense of its self worth in the context of the set of alternatives and refuse to believe that the set of feasible options does not include some of the options that it values most highly. Hence, its best feasible options may be rejected, or maintained with only grudging acquiescence. On the other hand, a person may fail to examine his options carefully and, thinking too little of himself, be satisfied with a relationship that understates his value. So, in one case a person may not be satisfied but "should be" and in the other case he may be satisfied but "should not be." In both cases the person does not know how to act effectively in terms of his own preferences and may fail to realize his exchange value. Furthermore, the ability to identify and locate the best option may be so time-consuming and difficult that only the functional equivalent of the pure "economic man" could be expected to consummate a balanced exchange.

Hence, being satisfied with the deal is neither necessary nor sufficient for balanced exchange. We can say only that a person *should* be satisfied with a balanced exchange relation — i.e., when there is no feasible option that he prefers — but we cannot be certain that he will look long enough to find it nor that he will be satisfied with it when he does find it. The Law of Exchange Value is a rule by which persons orient their behavior; it defines the strategy toward which behavior tends to converge. The degree to which actual performance satisfies the rule varies among persons and circumstances. However, as social scientists, it is neither appropriate nor important for us to determine whether or not a relationship between two specific individuals is balanced. Our job is to understand, *forms of social relation*; and we know that if people are free to choose among a number of alternative options, and if people have some basis for rank ordering those options in terms of preference, then a balanced exchange relation becomes the relevant norm.

C. Secondly, this discussion of balanced exchange has presupposed the existence of a number of alternatives for each party. Yet, in some cases the set of options to a given social relationship may be few. In fact there may be no alternative at all, as in the case of an isolated two-person world. So,

let us assume for the moment that there are two parties and that neither has an alternative relationship; and suppose that each could be made better off by having some form of relationship with the other, rather than having no relationship at all (satisfying premise (a), above). Then, even if a relationship is developed between the parties and even if it is satisfactory to each of them, it is *almost certain* that at least one of the parties could have obtained an improved bargain with the other and failed to do so. And consequently it is almost certain that the relationship is not balanced. To see this, note that each party will require some minimum response from the other in the sense that if the other party offers less than this, each would prefer to terminate the exchange relation altogether. However, if the potential benefits of having an exchange relation are substantial, there may be a fairly wide range of possible outcomes that would allow each to be better off, compared to having no relationship at all. The problem is that neither party knows what this range of possible outcomes really is. Consequently, each party is able to claim that it can do no better than some specific outcome without the other knowing with certainty that the claim is false. This is the standard "bilateral monopoly" problem of economic theory.

Isolated dyads can consummate a balanced exchange only if the relevant bargaining space is quite narrow. For example, suppose that a person desires good A, but only if it can be obtained at a cost no greater than B. And suppose that the provider of A requires a payment no less than B. Then, an exchange of A for B makes each *marginally* better off; neither can possibly do better; and the exchange is balanced. This example is of general theoretical importance, because a major potential consequence of increasing the number of alternatives to each party is precisely to narrow the range of outcomes that are relevant to the bargaining process. As the number of distinctly different alternatives increases, the bargaining space tends to vanish and the characteristics of the best feasible option become well denned. However, the number of alternatives required to produce the necessary narrowing of the bargaining space cannot be specified *a priori*. We have the theoretical possibility that the isolated dyad is sufficient.

An anonymous referee has suggested that we consider the two-person game, "Battle of the Sexes":

	A	B
A	1,2	0,0
B	0,0	2,1

Although a more realistic "battle" would be dynamic and contain many options for each player, this game is a static bilateral monopoly problem.

Given the payoff matrix, it is clear that each party is better off with a solution on the positive diagonal (satisfying premise (a)). And if, some difference in cleverness or bargaining power is interjected into the model, one may induce the adoption of one of the options. However, it is clear that premise (b) cannot be satisfied. Neither option provides a balanced exchange, because at least one party could have done better (with more affective bargaining) and failed to do so. Consequently, one may define in equilibrium solution, where each party is "satisfied with the bargain" in the absence of a balanced relation. One should not confuse "equilibrium" with "balance." The former identifies the solution with which people *are expected to be satisfied*, given their limited cognitive and search processes; the latter identifies the highest feasible value to themselves of the exchange relation with which they *should be satisfied*, notwithstanding the difficulty of finding it.

D. The Law of Exchange Value may be challenged on the ground that a person may be satisfied with an exchange wherein nothing or almost nothing is returned - the concept of the "pure gift." Malinowski has suggested that men in the Trobriand Islands make free or pure gifts of magic to their sons (1922:177—79).

As to the parents' gifts to the children, it is clear that in a matrilineal society, where the mother is the nearest kin to her children in a sense quite different to that in our society, they share in and inherit from her all her possessions. It is more remarkable that the father, who according to native belief and law, is only the mother's husband, and not the kinsman of the children, is the only relation from whom free gifts are expected. [O]ne of the most valuable and valued possessions, the knowledge of magic, is handed over willingly, and free of any counter-gift, from father to son.

Malinowski does not accept the native's argument that the magic is an indirect payment for sexual access to the wife. The natives, he says, think that all gifts are necessarily reciprocated. Furthermore, since the son belongs to the matrilineage of the mother, and the father is perceived to be only a "stranger" (an outsider) relative to his wife and children, Malinowski presupposed that allocations of goods and services from father to son is a *between-group* transfer for which the father receives no return.

On the other hand, he makes it clear that the father "shares" most things of value that he owns or controls with his sons. On this basis we should know that both Malinowski and the natives are incorrect.

We have shown that a gift can have an exchange value only when it is free to move to the most preferred among a set of alternatives; and a valuable that a man is *expected* to give to his sons does not satisfy that criterion. The son has rights (contingent on the performance of the obligations that define his status) and the father has responsibilities to his son (by which he socially sustains his status-rights as father). But one cannot be free to select one's best option and be under obligation to give

to a specific other. It is this contrast that removes systems of rights and obligations from the domain of reciprocity.

However, having restricted the domain of within-group sharing to the lineage structure, thereby defining the father as the odd man out, Malinowski does not see that the sharing of valuables by a man with his sons is a joint-interest, corporate activity. This corporation is not formally recognized by the natives; and it has not been graced by ethnographic jargon. However, it contains a process that is governed by the rules of within-group sharing.

According to Weiner (1976) a boy can be expected to attach himself to his father, obtaining land from him and assisting him in the support of his sisters (and assuming the father's responsibilities at the father's death). Furthermore, these sisters are expected to honor the mortuary ceremonies of their father's *dala* as well as those of their brothers' *dala* (to which they too belong). Hence, with patrilineal transmission of land, magic and kula partners and the honoring of the father's matrilineage, a man is clearly more than the husband of the children's mother. This sharing of valuables and magic by fathers is in sharp contrast with the explicitly competitive manner in which a young man attempts to obtain magic from his mother's brothers. See Weiner (1976:153).

E. Balanced exchanges *between* groups, commonly called reciprocity, and systems of pooling and sharing *within* groups, that we (following Barth 1981) call incorporation, are often recognized as the underlying mechanisms that human cultures have arranged and manipulated in order to *generate* the social formations that we find in traditional (i.e., non-capitalist) societies (Barth 1981; Polanyi et al 1957). An incorporation effectively exists if and only if there is a group that jointly produces and jointly shares the consumption of a given pool of resources by reference to an implicit ideology that defines the rights and responsibilities of each person-category. It is common that this ideology alludes to norms of reciprocity as a way of legitimating differences in rights and responsibilities, inducing Sahlins (1972) to use the term "generalized reciprocity" to describe systems of communal responsibility. However, as we see from the discussion of Malinowski's "pure gift," the Law of Exchange Value does not apply to those allocations. The rights of a person cannot be balanced by his/her responsibilities; nor can they be balanced relative to the rights of others. While one must generally perform the responsibilities of a role in order to merit the rights of that role, one's rights are by definition those allocations for which one need not complete and, hence, does not earn (through balanced exchange). Nevertheless, there are innumerable examples in the literature of anthropology, where this form of balance is presupposed or where the apparent failure of balance is deemed to be problematic.

F. When a social exchange relation takes the form of a one-way flow,

it is commonly explained by reference to altruism. However, if an allocation is not socially prescribed as the obligation of some category of person, then it must arise on the basis of idiosyncratic preferences, as part of an exchange relation. And if it is part of an exchange relation, then there must be a set of valued material or affective flows from this particular person that generate a preference for this allocation to this person, relative to a number of feasible alternative actions. Consequently, the Fundamental Law of Exchange Value must apply and the allocation must be a component of a balanced relation.

IV. A CONCLUDING EXAMPLE

It is instructive to consider an issue posed by Malinowski (1922:180).

The most important of these [customary payments] are the annual payments received at harvest time by a man from his wife's brothers. These regular and unailing gifts are so substantial that they form the bulk of a man's income in food ... The reciprocity in these gifts never amounts to their full value, but the recipient is supposed to give a valuable (*vaygu'a*) or a pig to his wife's brother from time to time. Again if he summons his wife's kinsmen to do communal work for him, according to the *kabutu* system, he pays them in food. In this case also the payments are not the full equivalent of the services rendered.

The question raised by this quotation is: What constitutes a full value for things received? In order to answer this question, note that the woman's brother has many demands upon his time. He will help a particular brother-in-law only if that man is relatively effective in helping his wife to collect "women's wealth" (skirts and bundles) for conspicuous distribution at women's mortuary ceremonies.

We watch our sister's husband carefully to see how fast he helps her get ready for the women's mortuary ceremony. If he does not help her quickly to collect her things, then we say that man is not a good husband and we do not want to make a garden for our sister any more. (Weiner 1976:198)

The brother increases his prestige by maximizing the amount of wealth that is displayed *in his name* at a ceremony celebrating his ancestors; so he must allocate his time and yams among "sisters" in order to realize that goal. If he and his brother-in-law (who is in an identical position vis-à-vis his own sister's husbands) are effectively allocating their time and resources, and if for each of them there is no preferred alternative to the time and resources that they give to each other, then the *relationship* of brother to brother-in-law will be exactly balanced in exchange value, notwithstanding any apparent differences in the levels of material transfer.

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