A Handbook of Economic Anthropology

Edited by

James G. Carrier

Senior Research Associate in Anthropology, Oxford Brookes University, UK and Adjunct Professor of Anthropology, Indiana University, USA

Edward Elgar
Cheltenham, UK • Northampton, MA, USA

15 The gift and gift economy

Yunxiang Yan

Gift giving constitutes one of the most important modes of social exchange in human societies. The give-and-take of gifts in everyday life creates, maintains and strengthens various social bonds – be they cooperative, competitive or antagonistic – which in turn define the identities of persons. A scrutiny of the gift and the gift economy, therefore, may provide us with an effective and unique means of understanding the formation of personhood and the structure of social relations in a given society.

It is almost impossible to establish a universal typology of gift activities because the world of gifts is both complex and diverse. Given that some gifts are offered in ritualised occasions while others are not, a basic distinction can be made between ceremonial and non-ceremonial gifts. The most common examples of the former include gift activities in rites of passage and holidays, such as weddings, funerals and Christmas, while an occasional gift offered to a helper to express gratitude or some regular exchange of presents among family members or friends may be considered as non-ceremonial gifts. Ceremonial giving can be extremely elaborate and constitutes an important social event in its own right, such as the famous *kula* ring in Trobriand society or the potlatch among the northwest native Americans (see Strathern and Stewart chap. 14 supra). Although highly institutionalised and ritualised, ceremonial gift giving is by no means static; instead, it may evolve rapidly in response to social and market changes. A good example in this connection is Christmas giving, which has developed from a moderate and familial activity in Euro-American societies to an elaborate institution of gift exchange across kinship and class boundaries that, as part of the globalisation process, has shown a tendency of becoming a global phenomenon by the end of the twentieth century (see Miller 1993; Waits 1993).

Another way to classify gift activities is to look at the agency of social actors: do two persons exchange gifts on behalf of the respective groups that they belong to, such as family, lineage or village community? Or, is the gift exchanged between two autonomous individuals? The custom of bridewealth is a good example of collectivist giving and, by contrast, most gift activities in contemporary Western societies occur between two autonomous individuals.

Bridewealth commonly refers to the property transferred from the groom's family or kin group to that of the bride; it serves to validate a marriage agreement and the transfer of the rights over women from one family to

another and is often used by senior men to establish future marriages for the male siblings of the bride. The material content of bridewealth varies from one society to another, but usually it requires items that are most valued locally. In much of Africa, the traditional measure of bridewealth has been cattle in a fixed number, and it often takes the collective effort of an extended family or kin group to provide the required amount of valuables. In a classic description of the Nuer in East Africa, Sir Edward Evans-Pritchard (1940) showed that the standard amount of bridewealth is forty head of cattle. The groom's kinsmen sent these animals to the bride's family in several instalments; then the bride's father was obligated to distribute these cattle among the relatives of his side and the bride's mother's side, while retaining the largest share for himself. Because the bridewealth comes from and goes to a host of families on both sides, the giver and recipient represent two collectivities, and the gift process helps to establish affinal alliances between two kin groups. Consequently, the divorce of a couple will also have far-reaching implications on these two kin groups.

In general, most collective gift-giving activities are institutionalised and ceremonial because collective identities and group interest are at stake, while most individualistic gifts occur in non-ceremonial occasions. But there are exceptions. The exchange of *kula* valuables is an institutionalised ceremonial activity but remains as a highly competitive enterprise wherein individuals act as free agents. On the other hand, the offer of an engagement ring in contemporary Western societies is a highly ritualised and institutionalised act of individual giving.

Looking at the context of social relations, we can see a distinction between horizontal and vertical gift exchange. Horizontal exchange occurs among social equals while vertical exchange cuts across the boundaries of social status; but the two types of gift activities may co-exist on some occasions. Taking the Christmas gift giving as an example, the horizontal exchange of gifts among friends, classmates and co-workers goes on together with the vertical exchange of gifts between employers and employees, patrons and clients, hosts and service providers and, to a lesser degree, between senior and junior generations in a family or kin group. Given the implications of inequality and hierarchy that are inherent to most cases of vertical gift giving, a unilateral and downward flow of gifts often plays an important role in the formation of political authority and power, such as in the cases of the Melanesian big-man and the Polynesian chief (Sahlins 1972; see Strathern and Stewart chap. 14 supra).

Gender is another important dimension in the world of gifts. Many earlier studies of gift giving in non-Western societies seem to be gender-blind because they tended to focus on institutions of ceremonial exchanges in public life where women were thought to play only a trivial role. Annette Weiner's study of the Trobriand Islands represents one of the first significant breakthroughs, for she argues that women there are by no means the object of gift exchange among men; on the contrary, women play an autonomous and crucial role in certain ceremonial, public exchanges, such as the mortuary exchanges in which women distribute women's wealth, banana-leaf bundles and skirts, to both female and male funeral guests. By so doing, women reclaim their unique role in the matrilineage and restate matrilineal solidarity (Weiner 1976, 1992; see also M. Strathern 1988). It is interesting that, while scrutinising the circulation of *kula* valuables among competitive males in Trobriand Island, Bronislaw Malinowski did not notice the equally important and elaborate exchange of women's wealth which takes place in the public sphere as well, though he carried out his fieldwork some sixty years before Weiner. In contemporary Western societies, women not only give more gifts but also receive more than their male counterparts (Caplow 1984; Cheal 1988), and giving is regarded as an essential part of a feminised ideology of love (Cheal 1987). How to assess women's dominant role in gift giving, however, remains a debatable issue. As Aafke Komter (1996: 120) notes:

> Gift giving by women is embedded in a network of social expectations, norms and rules regarding their societal rights and duties and their position within the family. This embeddedness of feminine generosity in persistent patterns of social inequality between genders suggests that women, gifts and power are somehow related to each other.

The economic implications of giving are enormously far-reaching in developed countries as well as in small-scale and pre-industrial societies. Malinowski has long argued that the motive that drove Trobriand Islanders cannot be explained in terms of materialistic self-interest. Instead, they produce extra yams so that the harvest may be given to exchange partners, chiefs, and eventually rot in storehouses for the sake of earning prestige. Similarly, they actively participate in the inter-island *kula* exchange primarily to obtain the armshells and necklaces that are renowned but have no practical value (Malinowski 1984 [1922]; Weiner 1992). The exchange of *kula* valuables therefore constitutes the very foundation of such prestige economy in Trobriand society. The cattle complex in Africa is similar, for the production and exchange of cattle are mostly for social, political and ritual purposes, and people have an exaggerated and emotional personal attachment to their animals (Evans-Pritchard 1940). Gift exchange may be seen as a different type of economy even in the narrowest sense of the term: Christmas gifts account for several billion dollars worth of business in contemporary American society (Waits 1993) and the villagers in north China spent nearly 20 per cent of their annual income on gift giving (Yan 1996).

Although not the first to examine the world of gifts, Marcel Mauss laid out

the theoretical foundation for the anthropology of the gift when he published *The gift* in 1925. He notes that gift exchange is characterised by the obligations of giving, receiving and returning. Chief among the three obligations is that of the returning; hence the primary question: 'What force is there in the thing given which compels the recipient to make a return?' (Mauss 1967 [1925]: 1). Mauss finds his answer in the Maori concept of *hau*, a mystic power that lies in the forest and in the valuables (*taonga*) given by one person to another. The *hau* always wishes to return to its place of origin, but can only do so through the medium of an object given in exchange for the original gift. Failure to return a gift, therefore, can result in serious trouble, including the death of the recipient. It is the *hau* in the gift, Mauss asserts, that forces the recipient to make a return, and he calls this 'the spirit of the gift' (1967 [1925]: 8–9). As a result,

> one gives away what is in reality a part of one's nature and substance, while to receive something is to receive a part of someone's spiritual essence. To keep this thing is dangerous, not only because it is illicit to do so, but also because it comes morally, physically and spiritually from a person. (1967 [1925]: 10)

The bonds created by gifts are thus the mutually-dependent ties between persons. Here we can see that the fundamental issue in Mauss's analysis of the gift is to determine how people relate to things and, through things, relate to each other. As Liep (1990: 165) notes, both Karl Marx and Mauss were concerned with the alienation of people from the products of their labour, which increases with the development of capitalist economy. But unlike Marx, who focused on the system of commodity exchange in modern societies and discovers the secret of surplus value (1976 [1867]), Mauss concentrated on gift exchange in 'primitive' societies and seeks answers from indigenous belief systems. To compare the primitive, personal gift economy with the modern, impersonal system of commodity exchange, Mauss lays out a three-stage, evolutionary scheme. Social exchange begins with 'total prestations', in which the materials transferred between groups are only part of a larger range of non-economic transfers. The second stage is gift exchange between moral persons who represent groups. The final stage is commodity exchange between independent individuals in market societies (see Mauss 1967 [1925]: 68–9).

The reciprocal obligation in gift exchange, the spirit of the gift, the opposition between gifts and commodities and the relationship between the person and things are the four themes in Mauss's work and they continue to be of central interest to contemporary anthropologists. In fact, it is not an exaggeration to say that economic anthropology itself, as a distinct sub-field, has emerged from a long series of debates regarding the nature of the gift in various societies.

The principle of reciprocity

The anthropology of the gift was long dominated by the issue of the principle of reciprocity, which first emerged as a critique of the Maussian notion of the spirit of the gift. Prior to the appearance of Mauss's classic, Malinowski had published his famous ethnographic account of *kula* exchange in Melanesian society and had described in detail the local system of transactions, ranging from the 'pure gift' to 'real barter' (1984 [1922]). Rejecting Mauss's interpretation of the spirit of the gift, Malinowski retracted his category of the 'pure gift' in a later book (1962 [1926]) and articulated the principle of reciprocity to explain the local system of economic transactions. He argued that the binding force of economic obligations lies in the sanction which either side may invoke to sever the bonds of reciprocity. One gives because of the expectation of return and one returns because of the threat that one's partner may stop giving. All rights and obligations are 'arranged into well-balanced chains of reciprocal services' (Malinowski 1962 [1926]: 46). He thus concluded that the principle of reciprocity was the foundation of Melanesian social order (1962 [1926]: chaps 3, 4, 8, 9). In a similar vein, Fortes (1949) emphasised the political function of exchange and reciprocity, especially the formal exchange of gifts between affines, in maintaining social equilibrium between potentially conflicting sectors in Tallensi society in Africa.

Inspired by Malinowski's work, Raymond Firth argued that the concept of reciprocity (locally called *utu*) is a fundamental drive to action among the Maori in New Zealand. The Maori attach great importance to the notion of 'compensation' or 'equivalent return' (Firth 1959: 412ff.). Firth also offers the most detailed and influential criticism of Mauss's treatment of the Maori notion of *hau*. According to Firth, Mauss misinterprets the *hau* by imputing active qualities to it, which Maori people do not recognise; he also confuses the *hau* of the gift with the *hau* of the giver; and finally, he neglects the third party in a given transaction, which is crucial to comprehend the original meaning of the *hau* (see Firth 1959: 419–20; MacCormack 1982: 287).

Mauss's rendering of the *hau* was challenged further by Marshall Sahlins. He criticised Mauss's preoccupation with the spiritual significance of the *hau* and his neglect of its economic significance. 'The meaning of hau one disengages from the exchange of *taonga* is as secular as the exchange itself. If the second gift is the hau of the first, then the hau of a good is its yield, just as the hau of a forest is its productiveness' (Sahlins 1972: 160). He identified three variables as critical to determining the general nature of gifts and exchange: kinship distance, sociability and generosity. To demonstrate the universality of reciprocity, Sahlins (1972: 191–210) also introduced a tripartite division of exchange phenomena: generalised reciprocity, balanced reciprocity, negative reciprocity.

Because of the reciprocal obligations in the game of gift exchange, the donor may gain prestige and power by transforming the recipient into a debtor; hence the creation of an unequal relationship until a return gift is made. In situations where unbalanced transactions occur, gifts usually pass downward in the social hierarchy because giving is prestigious. The superiority of the giver is believed to be common to gift systems all over the world (Gregory 1982: 47), although the political implications of this superiority varies from actual control over the recipient to the mere prestige of the giver (see A. Strathern 1971: 10). The potlatch among northwest native Americans is often used to illustrate the prestige and power of exaggerated generosity and wealth display by competing chiefs. However, as the aim is to crush a rival chief with excessive obligations that cannot be repaid, the ultimate result of the potlatch, as Maurice Godelier (1999: 58) correctly points out, is to break the chain of reciprocity; hence the self-negation of the principle of reciprocity.

The principle of reciprocity was so frequently employed to generalise about social patterns of gift exchange that it became something of a cliché. As MacCormack (1976: 101) warns: 'the description of all types of exchanges as reciprocal easily leads to an obscuring of the significant differences between them'. It is interesting to note that some aspects of the reciprocity model derived from relatively 'simple' societies, such as the obligation of return and the superiority of the gift giver, do not always fit the social reality of more complex, differentiated societies where there is an advanced division of labour and a significant commercial sector. For example, Lebra (1969) questions the 'equivalent return' in reciprocal relations by examining the repayment of Japanese *on* gifts (benevolent favours from superiors). She demonstrates that, given the hierarchical context of Japanese society, the person who is in a subordinate position can never balance the gift received from a superior. In Chinese society, a particular type of gift, *xiaojing*, flows up the ladder of social status and no equivalent return is expected; the recipients remain socially superior even though they fail to return the gifts (Yan 1996: 147–75). Both the Japanese and the Chinese cases suggest that giving does not always involve reciprocal returns, and unilateral giving does not always generate power for the donor.

Moreover, the core of reciprocity is the notion of equivalent return or balanced exchange, and a possible negative effect of overemphasising balanced exchange is to reduce giving to essentially dyadic transactions between self-interested individuals. In the end, it is still the material aspect of the gift that accounts for everything generated by the exchange: status, prestige, power and, of course, wealth. Yet, there is always something about gifts that cannot be explained in terms of economic rationality, such as the spiritual aspect of the gift.

The spirit of the gift

The Maussian notion of the spirit of the gift was revitalised from two directions during the 1980s. First, in South Asian studies, several anthropologists explored the Indian notion of giving without expectation of material return. As early as the 1970s, Vatuk and Vatuk (1971: 217) noted the asymmetric gift relationships in the context of the caste hierarchy in which people of low castes were generally not expected to return the *dan* gifts they received from their superiors. Further investigations revealed that these gifts, which are offered by people in the dominant caste to those in lower castes during various secular and religious rituals, serve to transfer dangerous and inauspicious elements – such as illness, death and misfortune – from the donor to the recipient. To accept these gifts is to become the vessel of evil and inauspiciousness, like swallowing poison, and the recipients in the lower castes are required by the caste ideology to receive this type of poisonous gift without making a return gift (Brahman priests also accept *dan* gifts for the benefit of the entire community, but they can digest the evil elements by their internal power; see Parry 1986; Raheja 1988). As a result, the institutionalised flow of poisonous gifts from the dominant caste to subordinate castes is a mode of domination. These gifts constitute a serious challenge to the generalised model of reciprocity, leading Parry (1986) to interpret the absence of reciprocity in the Indian gift of *dan* in terms of the 'evil spirit' of the gift. But by so doing, he actually denies Mauss's original argument that the spirit of the gift elicits a return gift. Reflecting on this, Parry (1986: 463) writes: 'Where we have the "spirit", reciprocity is denied; where there is reciprocity there is not much evidence of "spirit". The two aspects of the model do not hang together'.

One resolution of this contradiction is found in Pacific island societies, where one can see both the spirit and the obligation to return. Rather than accepting Mauss's interpretation of the Maori *hau*, many anthropologists have employed the notion of inalienability to explain the existence of spiritual, non-utilitarian ties between giver and recipient. In a provocative paper, Damon examines the Muyuw *kitoum*, a kind of *kula* valuable that is individually owned. He argues that because the objects in question represent the 'congealed labour' of the individual owner, 'no matter where a *kitoum* is … it can be claimed by its owner' (Damon 1980: 282). All *kula* valuables are brought into the exchange by the labour of specific individuals and, therefore, constitute the inalienable *kitoum* of those individuals (1980: 284). Gregory develops similar views in his analysis of the difference between gift–debt relations and commodity–debt relations. According to Gregory, gift debts involve a transfer of inalienable objects between mutually dependent persons, whereas commodity debts result from the exchange of alienable objects between independent transactors. 'A gift is like a tennis ball with an elastic band attached to it. The owner of the ball may lose possession of it for a time, but the ball will spring back to its owner if the elastic band is given a jerk' (Gregory 1980: 640). The most intriguing point to arise from this discussion is that the inalienability of certain valuables may explain not only the motivation to return but also the original motivation for participation in competitive systems such as the *kula* (see Damon 1982; Feil 1982; Gregory 1982: 340–45).

The inalienability of the gift is at the core of a new theory of gift exchange advanced by Weiner (1992), who is critical of standard anthropological studies which rely on the principle of reciprocity. She argues that the notion of reciprocity is deeply rooted in Western thought and has been used to justify theories of a free-market economy since Thomas Hobbes (see Weiner 1992: 28–30). Anthropologists have continued in this tradition and take for granted that there is an innate, mystical or natural autonomy in the workings of reciprocity. Weiner (1992: 43) maintains:

> What motivates reciprocity is its reverse – the desire to keep something back from the pressures of give and take. This something is a possession that speaks to and for an individual's or a group's social identity and, in so doing, affirms the difference between one person or group and another. Because the ownership of inalienable possessions establishes difference, ownership attracts other kinds of wealth.

It is this principle of keeping-while-giving, rather than the norm of reciprocity, that can explain the obligation to return a gift, the central issue raised by Mauss (Weiner 1992: 46). Interestingly, Weiner suggests that Mauss is right about the Maori *hau*: 'The hau as a life force embedded in the person is transmitted to the person's possessions' and thus adds inalienable value to the objects (Weiner 1992: 63; see also Thompson 1987). Thus, economic anthropology had come full circle by the 1990s: the spirit of the gift, in the name of inalienability, was back at centre stage.

This theory of the inalienable gift, however, can hardly be applied to gift practices in those complex societies where most gifts are purchased commodities. For example, in China money plays an important role in ceremonial giving, and in non-ritualised occasions most material gifts are consumer goods such as wine, cigarettes and canned food (see Kipnis 1997; Yan 1996). In contrast to the Melanesian and Polynesian cases, which involve the endless circulation of valuable shells, fine mats or cloaks, the commodity-turned-gifts exchanged among the Chinese are rarely recycled as return gifts. Instead, it is expected that gifts will be consumed by the recipient soon after their acceptance.

While it challenges the notion of inalienability, the Chinese case suggests that the spirit of the gift can be understood at two levels. The theory of inalienability elaborated by Weiner, among others, can be seen in the

Melanesian case where the gift is believed to contain *hau* or some other spiritual essence and thus cannot be disposed of freely by the recipient. This is the empirical evidence upon which Mauss bases his argument, but as an empirical observation it may not be true in other societies. However, in broader terms, the point that Mauss and others made from the Melanesian data is that the bond between individuals or groups can be created through the association between persons and things. Therefore, the key issue in any society is to determine what people think about the message conveyed by the gift: love, friendship, caring, obligation or a supernatural spirit. When research is conducted in complex, state societies, the spirit of the gift is better to be understood as the spirit of the donor and the relationship between donor and recipient.

Gifts vs. commodities

Mauss's original distinction between personal gift giving and impersonal commodity exchange has been widely accepted and, until recently, few anthropologists have criticised this basic distinction. Based on Karl Polanyi's (1957) theory of three modes of exchange, Sahlins suggests that the sorts of relations and values that are taken to characterise gift exchange and those that characterise commodity exchange should not be seen as bipolar opposites, but rather as extreme points of a continuum (1972: 191–7). The most important determinant is kinship distance: 'Reciprocity is inclined toward the generalised pole by close kinship, toward the negative extreme in proportion to kinship distance' (1972: 196). In other words, people tend to exchange gifts among kin and commodities among non-kin. As so-called primitive societies are regarded as dominated by kinship, Sahlins's scheme implies that there is a link between the mode of exchange and the mode of production, a proposition developed by Gregory a decade later (1980, 1982). Following Marx's definition of commodities and Mauss's characterisation of gifts, Gregory offers a binary formulation of a gift economy in clan-based societies vs. a commodity economy in class-based societies. He (1982: 41) maintains that commodity exchange establishes objective and quantitative relationships between the objects transacted, while gift exchange establishes a personal and qualitative relationship between the subjects transacting. The real distinction between gifts and commodities, therefore, lies in the different orders of social relations that are constructed and mediated through the exchange of objects.

The sharp contrast between gift exchange and commodity exchange has been questioned by many anthropologists since the 1980s. Damon (1982: 343) points out that although the *kula* ring is not a system of commodity exchange, it does lead to an expansion or accumulation of valuables by individual participants. Morris (1986: 6–7) argues that in state societies such as ancient Greece, gift exchange also functioned as a primary form of exchange both

within and between communities. Several scholars have pointed out that the radical opposition between gifts and commodities is actually a result of the ideological construction of the pure gift in the West and the romanticisation of gift relations in non-Western societies and they suggest that this radical opposition should be abandoned (Appadurai 1986: 11–13; Carrier 1990: 20–25; Parry 1986: 465; Parry and Bloch 1989: 8–12). Based on ethnographic findings reported in their edited volume on money, Parry and Bloch propose a new approach to the difference between gift and commodity. In this view, there are two related but separate transactional orders in most societies, 'on the one hand transactions concerned with the reproduction of the long-term social or cosmic order; on the other, a "sphere" of short-term transactions concerned with the arena of individual competition' (Parry and Bloch 1989: 24).

For those who emphasise the inalienable features of the gift, however, the distinction between gifts and commodities remains essential. Marilyn Strathern insists that gift exchange differs from barter or commodity exchange because the value of the gifts is judged qualitatively, not quantitatively as in the case of commodities. She (1992: 177) points out that Melanesian gift exchange is based on 'the capacity for actors (agents, subjects) to extract or elicit from others items that then become the object of their relationship'. Similarly, Weiner (1992: 191n2) maintains that 'inalienable possessions attain absolute value that is subjectively constituted and distinct from the exchange value of commodities or the abstract value of money'.

Another way to address the issue is to acknowledge that in both traditional pre-market systems and contemporary market systems there are certain sacred objects that can never entirely be alienated from their original owners. It is this inalienable sacred air of certain objects that draws the basic boundary between gift and commodity exchanges. In this respect, Weiner's notion of 'keeping-while-giving' may help us to understand the felt need to distinguish gifts from commodities; but because of the entanglement of gift and commodity exchanges in everyday practice, this notion alone cannot explain the complicated relations between gifts and commodities.

Appropriately, a number of anthropologists have argued that gifts and commodities co-exist in certain circumstances (for example, Carrier 1991; Godelier 1977; Morris 1986; Parry and Bloch 1989). With some qualifications, the interchangeability of gift and commodity is also argued, especially the dual role of money as gift and commodity (Gregory 1980; A. Strathern 1979), and the transformation of commodity into gift through the work of appropriation. The development of gift wrapping serves just such a function, appropriating an impersonal commodity into a personalised gift (Carrier 1995). It is interesting to note that, before 1880, both urban and rural Americans tended to give handmade objects at Christmas and they rarely wrapped them. When handmade gifts were replaced by manufactured items, however, gift wrapping quickly developed into a norm for Christmas presents, and the new norm in turn led to a new industry of wrapping products (see Waits 1993: 16–28).

Not only do objects pass from commodity to gift (and back again; see Werbner 1990), recent studies of gift exchange in China show that there is a grey area between gift relations and commodity relations. In this grey area a particular type of Chinese gift, an instrumental gift, plays a role in merging these two opposing sets of relations. Instrumental gifts are given in exchange for favours or services, and the recipients in turn repay the donors by exercising their positional power or providing resources which are under their control. As a result, the instrumental gift serves to channel commodity transactions, from purchasing consumer goods to starting private businesses, in a highly personalised way (see Smart 1997; Yan 1996; Yang 1994). Instrumental gift giving is reported in modern Japan (Befu 1968), and efforts to personalise commodity relations can be found in typical commodity societies as well, such as the petty market of stolen goods in London's East End (Mars 1982).

The intriguing point here is that, because of the potential for instrumentality inherent in the gift, it can be used to cultivate personal relations and produce a twofold result. On the one hand, the instrumental gift is transformed into a quasi-commodity, because it is transacted for personal interests and is reciprocated with a similarly instrumental return (goods, favour, service and so on). On the other hand, the instrumental exchange relations facilitated by these gifts in turn become personal to some extent, and further commodity transactions can be arranged through the 'back door' by mutually-trusted, more or less dependent partners. Hence a grey area is created between the poles of gift relation and commodity relation, in which the commoditisation of the gift leads to the personalisation of commodity exchanges. Although at first this appears to be paradoxical, it may prove to be true in many contexts: the internal structure of the gift is not immutable, and in a world of commodities we should not be surprised to discover that gifts can gain a commercial aspect.

The person in the gift

An underlying theme in almost all anthropological discussions of the gift and the gift economy is the relationship between persons and material objects, which is also the fundamental issue that Mauss wanted to address. In this connection, studies by Parry and Carrier are particularly noteworthy. Parry (1986) shows that Maori and Hindu ideologies of gift exchange represent fundamentally opposite types: the former requires the reciprocity of every gift given and the latter denies reciprocity, at least in the case of the *dan* gift. However, the Maori and Indian gifts share one thing in common, the absence of an absolute disjunction between persons and things. The separation between

persons and things is, according to Parry (1986: 468), a product of Christian cosmology: 'Christianity – with its notion that all men are fashioned equally in the image of God – has developed a *universalistic* conception of purely disinterested giving'. Furthermore, strong faith in freedom and choice leads to the belief that 'those who make free and unconstrained contracts in the market also make free and unconstrained gifts outside it' (1986: 469; original emphasis).

In line with Parry's view, Carrier argues that the ideology of the perfect gift in the West is shaped by the rise of industrial capitalism. 'Free and disinterested givers and recipients who transact unobligating expressions of affection come into cultural existence with the shift of production out of the affective and substantial relations that exist in the household to the impersonal relations of wage labor and capital' (Carrier 1990: 31). The ideology of the pure gift prevailing in American society is based on two popular conceptions: the gift is immaterial and its material value is beside the point; and the gift is unconstrained and unconstraining – 'it is a pure expression from the heart that does not bind giver and recipient' (1990: 20–21). This ideology, however, does not always accord with everyday practices, for the gifts often are predictable and regulated socially (see Caplow 1982, 1984; Cheal 1988). Thus, the gift relations characterised by Mauss for traditional societies also exist in capitalist societies.

One important implication of Parry's and Carrier's works is that, although gift exchange exists in all human societies, the form it takes varies greatly, depending on the particular culture within which it is rooted. Hence we may find multiple forms of the gift – the Indian gift, the 'Indian gift' (Parry's term for the Melanesian and Polynesian gift), the Japanese gift, the American gift and so on. At a deeper level, different gift forms reflect different kinds of persons and personhood. In Melanesian societies, for example, the person is relationally constructed and in turn represents a set of social relations in his or her social acts, including gift giving. A primary feature of the relational personhood is that 'persons simply do not have alienable items, that is, property at their disposal; they can only dispose of items by enchaining themselves in relations with others' (M. Strathern 1988: 161). By contrast, the free autonomous individual defined by neoclassical economics has nothing intrinsic to his or her personhood but 'bare undifferentiated free will'; everything else is alienable (Radin 1996: 62). In other words, differences in person and personhood provide us the key to better understanding why the Melanesian pure gift is inalienable and thus obligatory, while the Western perfect gift is free and thus must be unconstraining.

Conversely, a Western-oriented understanding of the person in anthropology may contribute to the misunderstanding of the gift in non-Western societies. At the core of the debate about the nature of the gift is its essential ambiguity; that is, gifts are at once free and constraining, self-interested and disinterested, and are motivated by both generosity and calculation or expectation of return. Although Mauss initiated the anthropological discourse of the gift by taking a both–and approach to examine the ambiguous nature of the gift, most subsequent studies have adopted the either–or approach by focusing on one of the two sides of the same coin. As a result, the principle of reciprocity, the inalienability of the gift and the dichotomy of gift and commodity have dominated the study of the gift. Underneath all these theories, there is a Western notion of the perfect gift, based on the belief of the autonomous and free individual, that has been used to examine gift-giving activities all over the world; hence the enigma of the gift. As Mark Osteen (2002: 240) correctly points out:

> We have met the enemy and he is us: the perfect altruist is nothing more than the obverse face of *Homo economicus* ... We will achieve no deeper understanding of gift exchange and their relationships to economic and social behavior until we discard or at least modify the notion of persons as free, unconstrained transactors.

An example of this is the silence about the role of emotionality in non-Western systems of gift exchange. Most existing studies are preoccupied with discovering either the economic rationality or religious beliefs of local people. We have detailed descriptions regarding the patterns of economic transactions, the working principles of reciprocity, the relations between gift giving and cosmology, the interconnection between persons and things. Few studies, by contrast, have touched upon the emotional world of ordinary people and the role that gifts play in expressing emotions. Weiner's (1992) book is no doubt the most radical departure from the rational model of reciprocity and the most thorough effort to date to explore the spiritual aspect of the gift. Nevertheless, it is still difficult to determine whether or not the gifts exchanged in Melanesian and Polynesian societies involve sentiments, even though it is logical to expect some sort of emotional response.

In contrast, studies of gifts in Western societies always emphasise the spontaneous, emotional nature of the gift: Cheal suggests that the gift economy in Western societies is actually part of a culture of love (Cheal 1987: 150–69, 1988: 40–55, 106–20). According to Caplow, emotionality is important in the selection of Christmas gifts in American families. The economic values of any giver's gift are supposed to be sufficiently scaled to the emotional value of relationships, so that

> when they are opened in the bright glare of the family circle, the donor will not appear to have disregarded either the legitimate inequality of some relationships by, for example, giving a more valuable gift to a nephew than to a son, or the legitimate equality of other relationships by, for example, giving conspicuously unequal gifts to two sons. (Caplow 1984: 1313)

This suggests that, in fact, gift recipients are scaled in terms of their social or kinship distance or status in relation to the donor, and that gift exchange is not based on a neutral sense of 'natural feelings' between two parties. Interestingly enough, however, the concern with social distance is translated as the 'emotional value' of the relationship.

The implication here is that the Euro-American ideology of the pure gift may exaggerate the role of emotionality, thus obscuring the fact that gift exchange in such societies is also regulated by many rules and serves to deal with relationships that are important but insecure. Furthermore, this ideology may also lead scholars to overlook the existence of emotionality in non-Western systems of gift exchange, where expression of personal feeling is thought to be similar and thus adds nothing new to the study of the gift. Carrier (1992: 204) warns that a straightforward reading of Mauss's *The gift* by many anthropologists has led to both the orientalisation of an alien 'other' and the occidentalisation of the modern West. As a result, 'the model that had focused on difference between us and them, ignoring similarity, became a definition that denied or elided similarity'. Whether these criticisms can be applied to all anthropological studies of the gift is questionable; but the absence of emotionality in so many studies of the gift in non-Western societies deserves some serious reflection, because, after all, emotionality is perhaps the most personal factor that makes giving gifts different from exchanging commodities.

References

Appadurai, A. 1986. Introduction: commodities and the politics of value. In *The social life of things* (ed.) A. Appadurai. New York: Cambridge University Press.

Befu, H. 1968. Gift-giving in a modernizing Japan. *Monumenta Nipponica* 23: 445–56.

Caplow, T. 1982. Christmas gifts and kin networks. *American Sociological Review* 47: 383–92.

Caplow, T. 1984. Rule enforcement without visible means: Christmas gift giving in Middletown. *American Journal of Sociology* 89: 1306–23.

Carrier, J.G. 1990. Gifts in a world of commodities: the ideology of the perfect gift in American society. *Social Analysis* 29: 19–37.

Carrier, J.G. 1991. Gifts, commodities and social relations: a Maussian view of exchange. *Sociological Forum* 6: 119–36.

Carrier, J.G. 1992. Occidentalism: the world turned upside-down. *American Ethnologist* 19: 195–212.

Carrier, J.G. 1995. *Gifts and commodities: exchange and Western capitalism since 1700*. London: Routledge.

Cheal, D. 1987. 'Showing them you love them': gift giving and the dialectic of intimacy. *Sociological Review* 35: 150–69.

Cheal, D. 1988. *The gift economy*. New York: Routledge & Kegan Paul.

Damon, F.H. 1980. The *kula* and generalised exchange: considering some unconsidered aspects of *The elementary structures of kinship*. *Man* (n.s.) 15: 269–92.

Damon, F.H. 1982. Alienating the inalienable. (correspondence) *Man* (n.s.) 17: 342–3.

Evans-Pritchard, E.E. 1940. *The Nuer*. Oxford: Oxford University Press.

Feil, D.K. 1982. Alienating the inalienable. (correspondence) *Man* (n.s.) 17: 340–42.

Firth, R. 1959. *Economics of the New Zealand Maori*. Wellington, New Zealand: Government Printer.

Fortes, M. 1949. *The web of kinship among the Tallensi*. London: Oxford University Press.
Godelier, M. 1977. Salt money and the circulation of commodities among the Baruya of New Guinea. In *Perspectives in Marxist anthropology* (ed.) M. Godelier. Cambridge: Cambridge University Press.
Godelier, M. 1999. *The enigma of the gift*. Chicago: University of Chicago Press.
Gregory, C.A. 1980. Gifts to men and gifts to God: gift exchange and capital accumulation in contemporary Papua. *Man* (n.s.) 15: 626–52.
Gregory, C.A. 1982. *Gifts and commodities*. London: Academic Press.
Kipnis, A. 1997. *Producing guanxi: sentiment, self, and subculture in a North China village*. Durham, NC: Duke University Press.
Komter, A. 1996. Women, gifts and power. In *The gift: an interdisciplinary perspective* (ed.) A. Komter. Amsterdam: Amsterdam University Press.
Lebra, T.S. 1969. Reciprocity and the asymmetric principle: an analytical reappraisal of the Japanese concept of *on*. *Psychologia* 12: 129–38.
Liep, J. 1990. Gift exchange and the construction of identity. In *Culture and history in the Pacific* (ed.) J. Siikala. Helsinki: Finnish Anthropological Society.
MacCormack, G. 1976. Reciprocity. *Man* (n.s.) 11: 89–103.
MacCormack, G. 1982. Mauss and the 'spirit' of the gift. *Oceania* 52: 286–93.
Malinowski, B. 1962 (1926). *Crime and custom in savage society*. Paterson, NJ: Littlefield, Adams & Co.
Malinowski, B. 1984 (1922). *Argonauts of the Western Pacific*. Prospect Heights, Ill.: Waveland Press.
Mars, G. 1982. *Cheats at work: an anthropology of workplace crime*. London: George Allen & Unwin.
Marx, K. 1976 (1867). *Capital*. Vol. 1. Harmondsworth: Penguin.
Mauss, M. 1967 (1925). *The gift: forms and functions of exchange in archaic societies*. New York: W.W. Norton.
Miller, D. 1993. *Unwrapping Christmas*. Oxford: Clarendon.
Morris, I. 1986. Gift and commodity in archaic Greece. *Man* (n.s.) 21: 1–17.
Osteen, M. 2002. Gift or commodity? In *The question of the gift* (ed.) M. Osteen. London: Routledge.
Parry, J. 1986. *The gift*, the Indian gift, and the 'Indian gift'. *Man* (n.s.) 21: 453–73.
Parry, J. and M. Bloch 1989. Introduction: money and the morality of exchange. In *Money and the morality of exchange* (eds) J. Parry and M. Bloch. Cambridge: Cambridge University Press.
Polanyi, K. 1957. *The great transformation*. Boston, Mass.: Beacon.
Radin, M.J. 1996. *Contested commodities*. Cambridge, Mass.: Harvard University Press.
Raheja, G.G. 1988. *The poison in the gift: ritual, prestation, and the dominant caste in a North Indian village*. Chicago: University of Chicago Press.
Sahlins, M. 1972. *Stone age economics*. New York: Aldine de Gruyter.
Smart, A. 1997. Oriental despotism and sugar-coated bullets: representations of the market in China. In *Meanings of the market: the free market in Western culture* (ed.) J.G. Carrier. Oxford: Berg.
Strathern, A. 1971. *The rope of moka*. Cambridge: Cambridge University Press.
Strathern, A. 1979. Gender, ideology and money in Mount Hagen. *Man* (n.s.) 14: 530–48.
Strathern, M. 1988. *The gender of the gift: problems with women and problems with society in Melanesia*. Berkeley: University of California Press.
Strathern, M. 1992. Qualified value: the perspective of gift exchange. In *Barter, exchange and value: an anthropological approach* (eds) C. Humphrey and S. Hugh-Jones. Cambridge: Cambridge University Press.
Thompson, D. 1987. The *hau* of the gift in its cultural context. *Pacific Studies* 11: 63–79.
Vatuk, V.P. and S. Vatuk 1971. The social context of gift exchange in North India. In *Family and social change in modern India* (ed.) G.R. Gupta. Durham, NC: Carolina Academic Press.
Waits, W.B. 1993. *The modern Christmas in America: a cultural history of gift giving*. New York: New York University Press.

Weiner, A. 1976. *Women of value, men of renown: new perspectives in Trobriand exchange*. Austin: University of Texas Press.
Weiner, A. 1992. *Inalienable possessions: the paradox of keeping-while-giving*. Berkeley: University of California Press.
Werbner, P. 1990. Economic rationality and hierarchical gift economies: value and ranking among British Pakistanis. *Man* (n.s.) 25: 266–85.
Yan, Y. 1996. *The flow of gifts: reciprocity and social networks in a Chinese village*. Stanford: Stanford University Press.
Yang, M.M. 1994. *Gifts, favors, banquets: the art of social relationships in China*. Ithaca, NY: Cornell University Press.

16 Barter

Patrick Heady

'Barter' is a non-technical English term which anthropologists have applied to a range of transactions that share certain characteristics. Barter typically denotes the direct exchange of goods or services for each other without the medium of money. Within this broad class of exchanges, the term is generally restricted to those in which the prime focus of interest for the exchange partners is in the goods and services themselves rather than the social relationships arising from the exchange: where social relations are the prime focus of interest the transaction is usually referred to as gift exchange (see Yan chap. 15 supra). However, as we shall see later on, the boundary between barter and gift exchange can be rather fuzzy.

I shall start by looking at the practical advantages and disadvantages of barter compared with exchanges mediated by money, paying a good deal of attention to the questions of 'transaction costs' and how to ensure 'coincidence of wants'. After that, I shall look more closely at the relation between barter and gift exchange. The discussion will be framed within a more general contrast between exchanges in which the partners emphasise their own material advantage at the expense of building goodwill between them, and exchanges (of which the most pronounced are outright gifts) in which the partners forgo some material advantages in order to strengthen their relationship. I shall look at how far, and when, exchanges can become purely material, and whether these circumstances are more typical for barter or money-mediated exchange. I shall also look at situations in which those concerned wish to mark certain exchanges as containing a social element, and the ways in which the difference between monetary and barter exchange can sometimes be used to make the distinction.

Barter can thus be understood from both economic and social perspectives. The final issue is, then, how these two perspectives relate to each other. Is there anything about barter transactions, or at least certain kinds of barter transaction, which implies that they are less subject to economic principles than money-mediated exchanges? And where there is a distinction between more gift-like and more self-centred transactions, is the element of social relationship ever totally missing from the latter, or does it simply take a different form than in the case of the gift? It is the light which barter, in its various forms, throws on questions like these which gives it its wider significance for anthropological theory.

Transaction costs and the problem of identifying a coincidence of wants

In order to clarify the economic logic of barter, we need a notion of cost that does not need to be expressed in monetary terms. In order to grasp this notion of cost, it makes sense to start by thinking of very simple exchange situations. In fact, we can start by considering a situation in which no exchange takes place at all. Let us imagine a group of people who live in total isolation and produce for themselves all the goods they want, using the natural resources available in their locality. Suppose that, among other things, they produce fruit. Does this fruit have a cost? Clearly it does not have a monetary cost, since no exchange is involved. However, there is a sort of cost involved, in the sense that the amount of time and effort required to prune the fruit trees and to pick and store the fruit is not available for other productive purposes, or for leisure. This cost, the amount of alternative goods that must be forgone in order to obtain the fruit, is referred to by economists as the 'opportunity cost' of the fruit. Since there are several other things that could have been done with the time and effort needed to produce the fruit, this opportunity cost could be described in several different ways: in terms of possible improvement to the group's housing, of more time available for hunting or even in terms of more time available for resting.

What happens when we introduce the possibility of exchange into the set-up we have just described? Imagine a situation in which there were two groups of people, who lived in isolation from everyone else. Imagine further that each group of people produced nearly all their needs directly from domestic production, but that each group needed one thing that only the other could provide. Suppose that the first group lived inland and produced fruit but no fish, and that the second group lived on the coast and produced fish but no fruit. Suppose further that the people in each group enjoy eating both fish and fruit. Then we have a simple exchange set-up. It makes sense for each group to produce more of its unique product (fruit or fish) to exchange with the unique product of the other group. In other words it makes sense to barter.

Suppose that the exchanges took place on the coast, and that both sides were content with a rate of exchange in which the inland group gave three fruit for each fish that they received from the coastal group (we shall discuss the factors determining this rate of exchange later). In a sense we can now talk about a price: the price of one fish is three fruit, and the price of one fruit is a third of a fish; or more precisely we can say that these are the prices prevailing in exchanges that take place on the coast. From the point of view of the coastal group, this price reflects the true opportunity cost of the fruit, since once they have handed over a fish they can immediately start eating the three fruit which they have received in exchange. But this is not so for the people who have come from inland to bring the fruit and carry back the fish. From their viewpoint, the opportunity cost of each fish is not simply the three fruit given in exchange, but also whatever else they could have done with the time and effort needed to make the journey to the coast and back. This additional opportunity cost is the *transaction cost*. When they get back to their inland village, the trading party will want some reward for their time and effort, and as a result they will not be willing to hand over fish to their neighbours at the rate of one fish for three fruit. Perhaps they will ask for four fruit for each fish. The total cost of a fish in the inland village is then four fruit, three of which represent the purchase price of the fish on the coast, and one of which represents the transaction costs. If the trading journey had taken place in the opposite direction, with coastal people carrying their fish inland to exchange in the inland village, the story would be the same. The purchase price of each fruit (in the inland village) would be one-quarter of a fish, but its sale price (on the coast) would be one-third of a fish. The difference (one-twelfth of a fish) represents the transaction cost.

If the transaction cost were higher, each community would be worse off, since the opportunity cost of fish in the inland village, and of fruit in the coastal village, would both be greater. In the example we have considered, in which the transaction costs were simply due to the time and effort involved in transportation, one could expect the transaction costs to be higher if the villages were further apart. However, there are other factors as well which might increase the transaction costs. These all involve, in one way or another, the problem of 'coincidence of wants', the difficulty of bringing together a person who can offer good A and wants good B, with a suitable trading partner who wants good A and can offer good B. These are the problems which money can help with, and their importance explains why most trade in the modern world is carried out with the medium of money (see Hart chap. 10 supra).

In order to illustrate these problems, let us develop our example a little bit more. Suppose that the fishing season takes place in the spring, and the fruit-picking season in the autumn, and that neither good is easily conserved. In that case, when the inland people bring their fruit down to the coast, the coastal people will have nothing to offer in exchange. If they are to trade their fruit at all, the inland people will have to offer the fishing people credit, and hope that they will fulfil their side of the bargain by delivering the fish that they owe next spring. If the inland people do not know their coastal trading partners very well, there is always the risk that they may give some of their fruit to unreliable individuals who will fail to deliver the due amount of fish. This risk of default on credit amounts to an additional transaction cost, and therefore will tend to discourage trade between the two villages. It also provides the first situation we have considered in which money exchange would have an advantage over barter. If there were a form of money available which was accepted by both the coastal and the inland people, then it would be possible for the inland people to insist on payment in this currency when they delivered

the fruit in the autumn, and use the same currency to purchase the fish they required in the spring. The same would, of course, apply to transactions initiated by the coastal community. The necessity of credit and the risk of default would have been removed, thus reducing the transaction costs for both communities.

Problems of the coincidence of wants also arise when the economy becomes more complex. Suppose that some of the people in the inland community grow apples while others grow pears, and that some of the coastal community fish for herrings while others catch octopus. Suppose that a man from the inland community has a load of pears which he wishes to exchange for octopus. There is no guarantee that the first person he meets when he arrives at the coast will wish to exchange octopuses for pears. Half of the people he meets will offer him herrings, which he does not want, while half of the rest would rather exchange their octopuses for apples than for pears. He will, therefore, have to spend some time, and hence opportunity cost, contacting the right person to make the exchange. This problem is perhaps not very serious in our example. However, when you start to think of more complex economies in which many householders wish to obtain dozens, or even hundreds, of different kinds of good by exchange every week, then it becomes clear that arranging for each person to meet with people who wanted to make a direct exchange between the product he or she had for sale, and the many different products he or she wished to buy, would be a very complex business indeed. However, if there were a currency which all concerned were willing to accept, this problem would be greatly reduced. In that case, a man who arrived at the coastal village with pears to sell would only need to identify a few people who wanted to buy pears, and it would not matter whether or not they wished to sell octopuses, or any of the other goods he wished to buy. All he need do is sell his pears to those few people for money, and use the money to buy octopuses and other things from the people who had them to sell, secure in the knowledge that they would accept cash, even if they did not care for pears.[1]

Some real-world examples of the choice between monetary exchange and barter

The essential point of the previous section is that money provides advantages in situations where it is not easy to bring together partners who want to make corresponding exchanges of actual goods. If the argument is sound, we would expect to encounter barter in situations where finding a partner with coincident exchange wants is relatively unproblematic, or where the transaction-cost advantage of monetary exchange is counteracted by some other disadvantage. In fact there is a good deal of evidence which is consistent with these expectations.

Some real situations correspond quite closely to the artificial example discussed above, particularly when, in mountainous environments, neighbouring communities at differing altitudes specialise in different crops, so that the existence of demand for one's own crop and of the supply of the neighbouring crop are well known to all concerned. Among the examples of this phenomenon are communities in Bulgaria (Cellarius 2000: 78–9) and in Nepal (Humphrey 1985, 1992).

Closely related are situations in which one crop, potatoes or grain, can be bartered for a wide range of goods. Here the disadvantage of barter compared with money is partly removed by the fact that demand for the core foodstuff is so nearly universal that its acceptability as a means of payment is assured. In many Indian villages, various specialists used to be paid in grain instead of, or as well as, cash (see Harriss chap. 33 infra).[2] Cellarius's study of barter exchange in a Bulgarian mountain village provides a particularly neat illustration of the importance of transaction costs. The village concerned is rather isolated, and most residents did not possess their own motor transport. Traders drove trucks up from the lowland towns with all kinds of goods, which they often exchanged for potatoes. The arrangement must have suited the traders, because they could use the empty space in their trucks to carry the potatoes back to town for very little cost. There was not much disadvantage for the local people since, in the village, everything that could be bought for cash could also be paid for with potatoes. Logically enough, the only people interviewed by Cellarius who insisted on selling their potatoes for cash, and making all their purchases in cash, were a family with their own motor transport, who could therefore take advantage of the greater flexibility that cash offered for making purchases in the more variegated shops and markets outside the valley (Cellarius 2000: 80).

Another factor which, in recent years, had pushed the inhabitants of Cellarius's village towards barter had been a dramatic fall in their cash incomes, occasioned by the closure of the local collective farm, which had previously provided many of the village people with money wages (2000: 76–7). The villagers moved away from the money economy because money was scarce. People can also move to barter when they no longer trust money because of inflation, devaluation or bank defaults. A combination of increased scarcity of money, and a sense of insecurity about whether it could hold its value, seems to have been one of the factors behind the very widespread use of barter by Russian businesses in the late 1990s (Seabright 2000: 4–5).

The unusual extent of inter-business barter in 1990s Russia may have had another cause as well. Before the collapse of communism, a complex system of state planning organised the distribution of materials and outputs between different enterprises. Even after the formal freeing of state enterprises from central control, many of the interpersonal contacts established through this system were still in place, and could be used to identify complex systems of multi-party exchange which would result in a coincidence of wants and supplies (Ledeneva and Seabright 2000: 99; Prendergast and Stole 2000: 50). This may have made inter-enterprise barter in Russia more feasible than it would have been in a system without that country's heritage of detailed state planning.

A final point is that monetary transactions are often subject to tax. In such situations barter may provide a way of avoiding the attentions of the tax-man. Tax avoidance is an important factor in some contemporary barter networks in both Russia and the United States (Humphrey and Hugh-Jones 1992: 6; Ledeneva 2000).

Overall, then, the argument that the prevalence or otherwise of barter can be explained by the relative transaction costs of monetary and non-monetary exchange seems to be well supported by available evidence.

Barter, commodities and gift exchange

Having established when barter is likely to take place, it is time to describe and analyse the barter process itself. Here we meet an interesting dichotomy. According to some descriptions, the transacting partners haggle in order to obtain the very best bargain for themselves at the other's expense, so that the relations between barter partners are characterised by a degree of implicit hostility. Bronislaw Malinowski's (1978 [1922]: 95–6, 187–90, 361–4) description of the barter deals that took place as part of Trobriand trading expeditions highlights the haggling involved, and contrasts this with the more dignified gift exchange of *kula* valuables with which the leaders were involved (see Strathern and Stewart chap. 14 supra). At one point in his study of *Stone age economics*, Marshall Sahlins (1974: 195) suggests that barter should be considered a kind of negative reciprocity that people engage in with outsiders with whom relationships are anyway hostile. However, in the same book, he (1974: 277–314) also describes barter practices which are quite unlike this, in which the trading partners avoid all bargaining, but instead exchange without argument at generally accepted prices. There are many reports of this kind of barter process, which often involves some of the courtesies that go with gift exchange. Indeed, in real-world barter transactions, this rather decorous way of proceeding seems to be just as typical as the haggling approach (Herskovits 1965: 188–96).

In order to understand what is going on here, it is useful to refer to a distinction between commodity and gift exchanges. As defined by Gregory (1982), who draws on the ideas of Marcel Mauss (2002 [1923]) and Karl Marx, commodity transactions involve the exchange of unlike goods and services in order to obtain a material benefit or profit, while the partners in gift exchange present each other with goods and services which are basically alike in order to reinforce the social relationships between them. The commodity perspective is the one adopted by standard microeconomic theory, of the kind which this chapter has drawn on up this point.

Microeconomic theory can also help us understand some aspects of the style of barter transactions. In particular, it can help us to understand why some barter transactions involve adversarial bargaining. As we saw earlier, one of the advantages of monetary exchange over barter is that it reduces transaction costs by replacing the comparatively rare exchange partnerships, in which good A would be directly exchanged for good B, with far more frequent potential partnerships in which good A and good B are both exchanged for money. The relative scarcity of partners available for any particular direct exchange has another disadvantage as well, in that it creates situations in which, although both parties benefit from the transaction, the gain experienced by one party is inversely related to the gain experienced by the other. The argument concerned goes back to F.Y. Edgeworth (1881: 20–30, cited by Pressman 1999: 70–72), who showed that the exchange rate offered in a bartering transaction (or any kind of trade) is fully determined only when each party to the transaction has many potential exchange partners. Where the number of potential partners is small, or simply consists of the two partners actually present, then there will usually be a range of exchange rates that would leave both partners feeling better off than before. This sets limits beyond which one or other party would pull out of the deal altogether. However, within these limits, the particular exchange rate selected will depend on the relative bargaining power and skill of the two parties, in a zero-sum (at least within limits) game in which an increased benefit for one partner represents a decrease in the benefit to the other.

So, within the commodity-exchange framework, we can understand why barter sometimes involves a process of adversarial haggling. By why is this not always the case? One problem with adversarial bargaining is that it is unlikely to leave the exchange partners feeling very friendly to each other. This need not matter if the bargaining takes place in a framework where social rules are guaranteed by some other authority, such as a state, or the local big man who sponsors a particular market. But it would be very serious indeed if the traders came from different and potentially antagonistic ethnic groups. This is often the case when the trade takes place between partners from different ecological zones: highlanders with lowlanders, or between people from different islands. It is in these circumstances that we find the trade taking gift-like forms, such as between trading partners who are ritual friends themselves or who are, as in the case of the barter that takes place in the margins of the *kula* expeditions, under the protection of expedition leaders who are ritual friends. The transactions have a gift-like element, because they could not take place without the existence of the secure social relationship which the gift-like aspects of the transaction help to ensure.

Nevertheless, however decorously they are conducted, barter transactions between ritual friends do not really fit into Gregory's category of gift exchange, because the things exchanged are not alike. In a detailed study of gift-like barter between communities at different altitudes in eastern Nepal, Humphrey (1992) argues that the idea that the things exchanged should be of *equivalent value* provides a basis for a sense of moral commitment between trading partners which resembles that established by gift exchange. This interpretation fits well with the numerous reports of barter exchanges which take place without any bargaining, using locally accepted 'fair' prices.

The next question is whether the importance of this notion of equivalent value, and the associated instances of gift-like behaviour, interfere with the operation of the commodity-like microeconomic mechanisms described in the first part of this chapter. The answer seems to be that they do not interfere too much. Humphrey (1985) provides data on the variation of exchange rates in relation to the distance between the points of origin of the goods concerned which are broadly in line with the hypothetical analysis given earlier in this chapter, and also reports changing exchange rates in response to major changes in supply conditions. Sahlins commented earlier (1974) on similar data for barter trade in Melanesia. The explanation offered by Sahlins, which is confirmed by Humphrey's data, is that what counts as a fair price is judged with respect to the range of exchange rates being offered in the locality. If the rate offered by one's partner is out of line with this, there is no need to engage in adversarial haggling; one simply opens up a new gift-like relationship with a partner whose exchange rate is more reasonable (Sahlins 1974: 312–14).

Indeed, the ability to weigh up the gains and losses from the whole of a particular exchange relationship, rather than simply those arising from the latest exchange within it, makes it possible to cultivate or withdraw from gift relationships on utilitarian grounds, and therefore provides an incentive for each partner to play his or her part in the relationship, even in the absence of any specific reckoning of the returns resulting from any particular gift from one partner to the other. This point is crucial to understanding the operation of the *blat* system during the communist period in Russia. As described by Ledeneva (1998), *blat* arose in response to the chronic shortages of the soviet economy, which were themselves the result of official refusal to let prices rise and fall in order to balance supply and demand. This official refusal of the price mechanism was supported by public opinion which, in addition, strongly disapproved of 'speculators' who tried to profit from this situation by selling scarce goods unofficially at prices above the official ones. However, the same disapproval did not apply to people who merely helped others obtain the scarce goods at the ordinary price. *Blat* was essentially a system by which people with control over a particular scarce good – anything from shoes to building materials, educational opportunities or medical care – enabled their acquaintances to gain access to a good in scarce supply, hoping that in return the beneficiary would enable them to gain access to something they needed later on. Since the goods themselves were either free or paid for to the supplying organisation at the official rate, monetary payments were not involved, nor was it generally a matter of a direct exchange of material benefits. Instead, the relationship was maintained in the expectation that over the long term it would provide benefits to both sides. Once prices were freed in the 1990s and goods became more freely available in the shops, the *blat* system of exchanging favours lost some of its importance (Ledeneva 1998: 179).

Humphrey and Hugh-Jones (1992: 7) have suggested that barter transactions should be considered as a third category of exchange, distinct from either gift or commodity exchange, that should be studied in its own right. However, the material presented above suggests that it might not be a very good idea to construct a distinct sub-discipline of barter studies. One point is that the different examples of barter are quite diverse, and would be hard to reduce to a single ideal type. A second and more fundamental point is that the things which the different examples of barter have in common are also shared with commodity and gift exchanges. The participants are concerned to obtain access to goods without giving too much in return (as would be expected in commodity transactions). But they are also conscious that the way they conduct their transactions conveys messages about their mutual relationship and needs to be planned in a way that will maintain that relationship (as would be expected in gift exchange).

Rather than splitting out a new category of barter, it might be better to say that all exchanges have two aspects: first as transfer of goods or services, and second as a sign of the nature of the relationship between the exchange partners. Commodity exchanges are those in which the partners' attention is focused on the first aspect, and gift exchanges are those in which attention is focused on the second aspect. In many exchanges, including most barter exchanges but also many monetary exchanges, the partners give some attention to both aspects. In the next section, I shall try to show that this dual perspective helps us to understand the phenomenon of multiple spheres of exchange.

Spheres of exchange

One area to which some of the arguments we have considered above might usefully be applied would be the English family. After all, a marriage involves some kind of division of tasks between the two spouses, and the goods these tasks produce – such as meals, shelter and warmth, clean clothes – matter to each. At the same time, the relationship also matters in itself, and the spouses regularly attempt to strengthen it by exchanging gifts. In a traditional, but now relatively rare, form of marriage the husband undertakes paid work while the wife is responsible for managing the housework. A more common arrangement now is for both partners to do paid work, though the husband may still be the main earner, and for there to be a rather more even division of labour within the household as well.

Does this mean that the economic basis of British marriage is shifting from cash purchase of the wife's services by the husband, to the bartering of services between the spouses? Given the way I have developed the concept of barter in the previous section, this would be a fairly reasonable statement to make, but it still sounds distinctly odd. Part of the reason may be that the term 'purchase' suggests a commodity transaction, which appears to be contradicted by the exchanges of gifts that also go on within the traditional marriage. The arrangements of a traditional marriage thus challenge an implicit assumption of the discussion up to now, namely that monetary payments are exclusively associated with commodity exchange. But the real reason why the statement sounds odd is probably deeper, namely that we do not think of marriage primarily as an exchange of services between the two partners. Instead we see it as the basis of a family and feel that the partners should each subordinate their own interests to that of the family as a whole, and in particular to the well-being of their children. The attitude of mind that this calls for is simply not the same as the attitude of mind involved in commodity transactions (whether by cash or barter), or even gift relationships outside the family home.[3]

In that sense the family constitutes a different sphere of exchange from the external world of the job market and the shopping centre. Although material self-interest certainly does play a role in intra-family transactions (see Becker 1981), it is under tighter constraints than apply in the economy outside the household, and the resulting difference in exchange rules is reinforced by our feeling that it is inappropriate to apply the same concepts to exchanges in the two spheres.

This point about distinct spheres of exchange was first made by Paul Bohannan (1955) in a classic article about exchange and investment among the Tiv people of northern Nigeria (see Hart chap. 10 supra). He also noted that the Tiv conceptualise exchanges of services between kin entirely separately from exchanges between non-kin. As in the British case, exchanges between kin are meant ideally to be a direct expression of mutual commitment rather than a matter of calculation, though the range of Tiv kin involved is probably rather wider than in the British case. As in the British case, the distinction is reinforced by the use of a different vocabulary to talk about kinship and non-kinship exchanges.

However, among the Tiv, exchanges between non-kin were also divided into three distinct spheres, also distinguished by different vocabularies and conceptual systems: one for minor goods, a second for prestigious goods and the third for the exchange of women in marriage. Although it was possible to use success in a lower sphere to buy access to exchanges in one of the higher spheres, this had not been easy until a few decades before Bohannan's fieldwork. It was fairly clear that the restrictions were part of the Tiv political system, reinforcing the power of lineage elders and enabling them to control much of the social and reproductive destiny of their clan members. Thus, consistently with the dual nature of exchange as both material transactions and signs of relationships, these restrictions on legitimate exchange transactions reflected both an ordering of ideas and a way of controlling access to resources.

Why this theme belongs in a discussion of barter is that Bohannan himself believed that the system was threatened by the spread of Western money in Tiv land. He argued that the division into three spheres was dependent on rules about what could be bartered for what, which broke down with the appearance of Western money that could be used to purchase goods in all three spheres.

However, despite the Tiv experience, the general thesis that modern money tends to destroy the distinction between spheres of exchange seems to have rather little empirical support. In the British case, as we have just seen, money is important in both the family and the commercial sphere, but subject to different rules in both. (Indeed it is also crucial to the third sphere of exchange in modern Britain: that between the state and the citizen. Here again it is subject to different rules than in the other two spheres.) In a general review of this issue in their *Money and the morality of exchange*, Maurice Bloch and Johnathan Parry (1989) concluded that the distinction between a sphere of self-interested exchange and a superior sphere of more prestigious exchange subject to moral rules was a feature of all societies. However, they did not find any general tendency for money to be particularly associated with the potentially immoral sphere of self-interested exchange.

Conclusion

Microeconomic ideas about the costs of transactions are rather effective in identifying the situations in which barter is preferred to monetary exchange, and also help to explain the rates of exchange between goods even when barter takes forms which resemble gift exchange. But in order to understand why a particular series of barter exchanges is more commodity-like or more gift-like we need to take account of the socio-political context of the exchange, and of the dual aspect of exchange episodes as material transactions and as signals of the nature of the personal relationships involved. This part of the analysis, however, applies to money-mediated exchange just as much as to barter, and the phenomenon of distinct spheres of exchange, which some writers associate

particularly with barter-based economies, turns out to be more general. Because barter transactions resist oversimplified analysis, they provide a useful way of testing and extending the concepts which we apply to exchange in general, but they do not call for a distinct body of theory unique to barter.

Notes

1. For more technical treatments of the topics discussed in this section, see Anderlini and Sabourian (1992) and Dutta (2000).
2. See Fuller (1989) for a critical discussion of the literature on this topic.
3. See Carrier (1995: 31–5) for a fuller discussion of this point.

References

Anderlini, L. and H. Sabourian 1992. Some notes on the economics of barter, money and credit. In *Barter, exchange and value: an anthropological approach* (eds) C. Humphrey and S. Hugh-Jones. Cambridge: Cambridge University Press.

Becker, G. 1981. *A treatise on the family*. Cambridge, Mass.: Harvard University Press.

Bloch, M. and J. Parry 1989. Introduction: money and the morality of exchange. In *Money and the morality of exchange* (eds) J. Parry and M. Bloch. Cambridge: Cambridge University Press.

Bohannan, P. 1955. Some principles of exchange and investment among the Tiv. *American Anthropologist* 57: 60–70.

Carrier, J.G. 1995. *Gifts and commodities: exchange and Western capitalism since 1700*. London: Routledge.

Cellarius, B.A. 2000. 'You can buy almost anything with potatoes': an examination of barter during economic crisis in Bulgaria. *Ethnology* 39: 73–92.

Dutta, J. 2000. Some lasting thing: barter and the value of money. In *The vanishing rouble: barter networks and non-monetary transactions in post-Soviet societies* (ed.) P. Seabright. Cambridge: Cambridge University Press.

Edgeworth, F.Y. 1881. *Mathematical psychics: an essay on the application of mathematics to the moral sciences*. London: C. Kegan Paul & Co.

Fuller, C.J. 1989. Misconceiving the grain heap: a critique of the concept of the Indian Jajmani system. In *Money and the morality of exchange* (eds) J. Parry and M. Bloch. Cambridge: Cambridge University Press.

Gregory, C.A. 1982. *Gifts and commodities*. New York: Academic Press.

Herskovits, M.J. 1965. *Economic anthropology: the economic life of primitive peoples*. New York: W.W. Norton.

Humphrey, C. 1985. Barter and economic disintegration. *Man* (n.s.) 20: 48–72.

Humphrey, C. 1992. Fair dealing, just rewards: the ethics of barter in North-East Nepal. In *Barter, exchange and value: an anthropological approach* (eds) C. Humphrey and S. Hugh-Jones. Cambridge: Cambridge University Press.

Humphrey, C. and S. Hugh-Jones (eds) 1992. *Barter, exchange and value: an anthropological approach*. Cambridge: Cambridge University Press.

Ledeneva, A.V. 1998. *Russia's economy of favours:* blat, *networking and informal exchange*. Cambridge: Cambridge University Press.

Ledeneva, A.V. 2000. Shadow barter: economic necessity or economic crime? In *The vanishing rouble: barter networks and non-monetary transactions in post-Soviet societies* (ed.) P. Seabright. Cambridge: Cambridge University Press.

Ledeneva, A.V. and P. Seabright 2000. Barter in post-Soviet societies: what does it look like, and why does it matter. In *The vanishing rouble: barter networks and non-monetary transactions in post-Soviet societies* (ed.) P. Seabright. Cambridge: Cambridge University Press.

Malinowski, B. 1978 (1922). *Argonauts of the Western Pacific*. London: Routledge & Kegan Paul.

Mauss, M. 2002 (1923). *The gift: the form and reason for exchange in archaic societies*. London: Routledge.

Prendergast, C. and L. Stole 2000. Barter relationships. In *The vanishing rouble: barter networks and non-monetary transactions in post-Soviet societies* (ed.) P. Seabright. Cambridge: Cambridge University Press.
Pressman, S. 1999. *Fifty major economists*. London: Routledge.
Sahlins, M. 1974. *Stone age economics*. London: Tavistock.
Seabright, P. (ed.) 2000. *The vanishing rouble: barter networks and non-monetary transactions in post-Soviet societies*. Cambridge: Cambridge University Press.

17 The anthropology of markets

Kalman Applbaum

Reviews of the anthropology of markets customarily begin by dwelling on the distinction between physical marketplaces and 'the market principle' – or 'the diffuse interaction of suppliers and demanders' that determines the 'prices of labor, resources and outputs … regardless of the site of transactions' (Bohannan and Dalton 1965: 2; see, for example, Plattner 1989). Thus, a periodic, peasant or open-air market on the one hand, and the global electronic futures market for soybeans or eurodollars on the other.

The present chapter also marks this distinction, but with the alternative aim of demonstrating the virtues of phasing out the division for advancing the field. I do not claim to be trailblazing a new path, but to be reporting upon a palpable trend that has perhaps not been explicitly articulated in these terms. It is in the review of select recent market ethnographies that I call to the reader's attention a de facto bridging, convergence or integration of the two kinds of markets in fact and in theory, or at least the positioning of the two on a continuum, and a decline of the split model as an inspiration for empirical research. In so far as I continue referring to the two 'types' to make my point, I shall use the conventional vocabulary of market principle and marketplace, or sometimes more pithily, the abstract vs. the empirical market (Slater 1993).

Globalisation and trade concentration

Increasingly exchange transactions occurring anywhere in the world can only be understood with reference to external agencies. Bilateral exchanges in even remote corners of the world cannot be comprehensively understood without meaningful reference to the global contingencies and determinants conditioning the exchange. The purchase of a hand-crafted basket in a Vientiane outdoor market, the consumption of cheese produced on a kibbutz by its own members in the Galilee, or the return of a defective contact lens to an optician in Peoria are each subject to economic (and demonstrably cultural economic; see Bird-David 1997) conditions that involve the global system of which I speak.[1] Correspondingly, even global commercial exchanges of the most abstract kind (such as electronic fund transfers in financial markets) are only relatively more suitable to framing in terms independent of local cultural and social processes.

As primary exchange locations, marketplaces of all sorts are both sites of global commercial integration as well as one of the principal vehicles by