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Social Exchange

> The moral type on the other hand is not based on stated terms, but the gift or other service is given as to a friend, although the giver expects to receive an equivalent or greater return, as though it had not been a free gift but a loan; and as he ends the relationship in a different spirit from that in which he began it, he will complain. The reason of this is that all men, or most men, wish what is noble but choose what is profitable; and while it is noble to render a service not with an eye to receiving one in return, it is profitable to receive one. One ought, therefore, if one can, to return the equivalent of services received, and to do so willingly. . . .
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> ARISTOTLE, *The Nicomachean Ethics*

Processes of social association can be conceptualized, following Homans' lead, "as an exchange of activity, tangible or intangible, and more or less rewarding or costly, between at least two persons."[1] Social exchange can be observed everywhere once we are sensitized by this conception to it, not only in market relations but also in friendship and even in love, as we have seen, as well as in many social relations between these extremes in intimacy. Neighbors exchange favors; children, toys; colleagues, assistance; acquaintances, courtesies; politicians, concessions; discussants, ideas, housewives, recipes. The per-

[1] George C. Homans, *Social Behavior*, New York: Harcourt, Brace and World, 1961, p. 13. This entire book has been an important source of inspiration for the analysis presented here, as noted in the preface. For Homans' first statement on the subject, see his "Social Behavior as Exchange," *American Journal of Sociology*, 63 (1958), 597–606.

vasiveness of social exchange makes it tempting to consider all social conduct in terms of exchange, but this would deprive the concept of its distinctive meaning. People do things for fear of other men or for fear of God or for fear of their conscience, and nothing is gained by trying to force such action into a conceptual framework of exchange.

Mauss and other anthropologists have called attention to the significance and prevalence of the exchange of gifts and services in simpler societies. "In theory such gifts are voluntary but in fact they are given and repaid under obligation. . . . Further, what they exchange is not exclusively goods and wealth, real and personal property, and things of economic value They exchange rather courtesies, entertainments, ritual, military assistance, women, children, dances, and feasts, and fairs in which the market is but one element and the circulation of wealth but one part of a wide and enduring contact." [2]

The institutionalized form the exchange of gifts frequently assumes in simpler societies highlights the two general functions of social, as distinct from strictly economic, exchange, namely, to establish bonds of friendship and to establish superordination over others. The creation of friendship bonds is typified by the ceremonial Kula exchange in the Western Pacific, where "the Kula partnership provides every man within its ring with a few friends near at hand, and with some friendly allies in the far-away, dangerous, foreign districts" [3] A polar example of the establishment of superordination over others is the potlatch in the American Northwest, in which "status in associations and clans, and rank of every kind, are determined by the war of property. . . ." [4] What is most interesting, however, is that the exchanges in the same institution serve sometimes to cement peer relations and sometimes to produce differentiation of status, contradictory as these two consequences appear to be.

The basic principles underlying the conception of exchange may be briefly summarized. An individual who supplies rewarding services to another obligates him. To discharge this obligation, the second must furnish benefits to the first in turn Concern here is with extrinsic benefits, not primarily with the rewards intrinsic to the association itself, although the significance of the social "commodities" exchanged is never perfectly independent of the interpersonal relation between the exchange partners. If both individuals value what they

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[2] Marcel Mauss, *The Gift*, Glencoe. Free Press, 1954, pp 1, 3

[3] Bronislaw Malinowski, *Argonauts of the Western Pacific*, New York: Dutton, 1961, p 92

[4] Mauss, *op cit*, p 35.

receive from the other, both are prone to supply more of their own services to provide incentives for the other to increase his supply and to avoid becoming indebted to him As both receive increasing amounts of the assistance they originally needed rather badly, however, their need for still further assistance typically declines.

"The profits from exchange decrease with the number of exchanges;" [5] in technical terms, the marginal utility of increasing amounts of benefits eventually diminishes. If we need help in our work, for example, five minutes of an expert's assistance are worth much to us, and another five minutes are perhaps just as valuable, but once he has aided us for half an hour another five minutes of his time are undoubtedly less significant than were the first five. Ultimately, the declining marginal utility of additional benefits is no longer worth the cost of obtaining them, and the point at which this happens for both partners, often after some adjustment in the ratio at which they exchange services, governs the level of transactions most advantageous for both at which the volume of exchange between them presumably becomes stabilized. Although personal considerations—for instance, the desire not to antagonize a colleague—modify these rational decisions, such factors also can be taken into account in more complex versions of the basic model, at least in principle.

Take the association of a new member of a profession with a respected senior colleague as an illustration of these processes. The junior is rewarded by the senior's stimulating expert discussions of professional matters and by the senior's willingness to treat him as a colleague, which symbolizes acceptance as a full-fledged professional. He reciprocates by his deferential admiration, which is rewarding for the senior. The gratification the senior derives from being listened to with great respect prompts him to devote some of his limited time to the association, but his gratification is not proportionately increased if he extends the period in which the other admires his expert opinions from half an hour every few days to several hours daily. Moreover, the more time the senior devotes to the association, the costlier it becomes for him to further restrict the time available to him for other activities. Hence, he will be inclined to limit the time he spends in discussions with the junior to the level at which the support he receives from his admiration still outweighs in significance the advantages foregone by taking time from other pursuits. At this point, however, the junior may still profit from

[5] Homans, *Social Behavior*, p. 70.

further association with the senior. Since his admiration does not suffice to increase the association time, the junior must endeavor to furnish supplementary rewards, for example, by doing odd jobs for his senior colleague, thereby obligating him to reciprocate by devoting more time to the association than he otherwise would. Eventually, the marginal advantages for the junior of associating still more with the senior will no longer outweigh the marginal cost of providing more services for him, and the exchange will tend to level off. The assumption is not that individuals make these calculations explicitly but that such implicit calculations underlie the feelings of boredom or pressure from other work that prompt their decisions to spend only a certain amount of time together.

Unspecified Obligations and Trust

The concept of exchange can be circumscribed by indicating two limiting cases. An individual may give another money because the other stands in front of him with a gun in a holdup. While this could be conceptualized as an exchange of his money for his life, it seems preferable to exclude the result of physical coercion from the range of social conduct encompassed by the term "exchange." An individual may also give away money because his conscience demands that he help support the underprivileged and without expecting any form of gratitude from them While this could be conceptualized as an exchange of his money for the internal approval of his superego, here again it seems preferable to exclude conformity with internalized norms from the purview of the concept of social exchange.[6] A social exchange is involved if an individual gives money to a poor man because he wants to receive the man's expressions of gratitude and deference and if he ceases to give alms to beggars who withhold such expressions.

"Social exchange," as the term is used here, refers to voluntary actions of individuals that are motivated by the returns they are expected to bring and typically do in fact bring from others Action

[6] Ludwig von Mises refers to this type as autistic exchange "Making one-sided presents without the aim of being rewarded by any conduct on the part of the receiver or of a third person is autistic exchange. The donor acquires the satisfaction which the better condition of the receiver gives to him. The receiver gets the present as a God-sent gift. But if presents are given in order to influence some people's conduct, they are no longer one-sided, but a variety of interpersonal exchange between the donor and the man whose conduct they are designed to influence." *Human Action*, New Haven. Yale University Press, 1949, p. 196

compelled by physical coercion is not voluntary, although compliance with other forms of power can be considered a voluntary service rendered in exchange for the benefits such compliance produces, as already indicated. Whereas conformity with internalized standards does not fall under the definition of exchange presented, conformity to social pressures tends to entail indirect exchanges. Men make charitable donations, not to earn the gratitude of the recipients, whom they never see, but to earn the approval of their peers who participate in the philanthropic campaign. Donations are exchanged for social approval, though the recipients of the donations and the suppliers of the approval are not identical, and the clarification of the connection between the two requires an analysis of the complex structures of indirect exchange, which is reserved for chapters eight and ten. Our concern now is with the simpler direct exchanges.

The need to reciprocate for benefits received in order to continue receiving them serves as a "starting mechanism" of social interaction and group structure, as Gouldner has pointed out.[7] When people are thrown together, and before common norms or goals or role expectations have crystallized among them, the advantages to be gained from entering into exchange relations furnish incentives for social interaction, and the exchange processes serve as mechanisms for regulating social interaction, thus fostering the development of a network of social relations and a rudimentary group structure. Eventually, group norms to regulate and limit the exchange transactions emerge, including the fundamental and ubiquitous norm of reciprocity, which makes failure to discharge obligations subject to group sanctions. In contrast to Gouldner, however, it is held here that the norm of reciprocity merely reinforces and stabilizes tendencies inherent in the character of social exchange itself and that the fundamental starting mechanism of patterned social intercourse is found in the existential conditions of exchange, not in the norm of reciprocity. It is a necessary condition of exchange that individuals, in the interest of continuing to receive needed services, discharge their obligations for having received them in the past. Exchange processes utilize, as it were, the self-interests of individuals to produce a differentiated social structure within which norms tend to develop that require individuals to set aside some of their personal interests for the sake of those of the collectivity. Not all social constraints are normative

[7] Alvin W. Gouldner, "The Norm of Reciprocity," *American Sociological Review*, 25 (1960), 161–178, esp. p. 176.

constraints, and those imposed by the nature of social exchange are not, at least, not originally.

Social exchange differs in important ways from strictly economic exchange. The basic and most crucial distinction is that social exchange entails *unspecified* obligations. The prototype of an economic transaction rests on a formal contract that stipulates the exact quantities to be exchanged.[8] The buyer pays $30,000 for a specific house, or he signs a contract to pay that sum plus interest over a period of years. Whether the entire transaction is consummated at a given time, in which case the contract may never be written, or not, all the transfers to be made now or in the future are agreed upon at the time of sale. Social exchange, in contrast, involves the principle that one person does another a favor, and while there is a general expectation of some future return, its exact nature is definitely *not* stipulated in advance. The distinctive implications of such unspecified obligations are brought into high relief by the institutionalized form they assume in the Kula discussed by Malinowski:

> The main principle underlying the regulations of actual exchange is that the Kula consists in the bestowing of a ceremonial gift, which has to be repaid by an equivalent counter-gift after a lapse of time . . But it can never be exchanged from hand to hand, with the equivalence between the two objects being discussed, bargained about and computed. . . . The second very important principle is that the equivalence of the counter-gift is left to the giver, and it cannot be enforced by any kind of coercion. . . . If the article given as a counter-gift is not equivalent, the recipient will be disappointed and angry, but he has no direct means of redress, no means of coercing his partner. . . .[9]

Social exchange, whether it is in this ceremonial form or not, involves favors that create diffuse future obligations, not precisely specified ones, and the nature of the return cannot be bargained about but must be left to the discretion of the one who makes it. Thus, if a person gives a dinner party, he expects his guests to reciprocate at some future date. But he can hardly bargain with them about the kind of party to which they should invite him, although he expects them not simply to ask him for a quick lunch if he had invited

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[8] This is not completely correct for an employment contract or for the purchase of professional services, since the precise services the employee or professional will be obligated to perform are not specified in detail in advance. Economic transactions that involve services generally are somewhat closer to social exchange than the pure type of economic exchange of commodities or *products* of services

[9] Malinowski, *op cit.*, pp. 95–96.

them to a formal dinner. Similarly, if a person goes to some trouble in behalf of an acquaintance, he expects *some* expression of gratitude, but he can neither bargain with the other over how to reciprocate nor force him to reciprocate at all.

Since there is no way to assure an appropriate return for a favor, social exchange requires trusting others to discharge their obligations. While the banker who makes a loan to a man who buys a house does not have to trust him, although he hopes he will not have to foreclose the mortgage, the individual who gives another an expensive gift must trust him to reciprocate in proper fashion. Typically, however, exchange relations evolve in a slow process, starting with minor transactions in which little trust is required because little risk is involved. A worker may help a colleague a few times. If the colleague fails to reciprocate, the worker has lost little and can easily protect himself against further loss by ceasing to furnish assistance. If the colleague does reciprocate, perhaps excessively so out of gratitude for the volunteered help and in the hope of receiving more, he proves himself trustworthy of continued and extended favors. (Excessive reciprocation may be embarrassing, because it is a bid for a more extensive exchange relation than one may be willing to enter.) By discharging their obligations for services rendered, if only to provide inducements for the supply of more assistance, individuals demonstrate their trustworthiness, and the gradual expansion of mutual service is accompanied by a parallel growth of mutual trust. Hence, processes of social exchange, which may originate in pure self-interest, generate trust in social relations through their recurrent and gradually expanding character.

Only social exchange tends to engender feelings of personal obligation, gratitude, and trust; purely economic exchange as such does not. An individual is obligated to the banker who gives him a mortgage on his house merely in the technical sense of owing him money, but he does not feel personally obligated in the sense of experiencing a debt of gratitude to the banker, because all the banker's services, all costs and risks, are duly taken into account in and fully repaid by the interest on the loan he receives. A banker who grants a loan without adequate collateral, however, does make the recipient personally obligated for this favorable treatment, precisely because this act of trust entails a social exchange that is superimposed upon the strictly economic transaction.

In contrast to economic commodities, the benefits involved in social exchange do not have an exact price in terms of a single quantitative medium of exchange, which is another reason why social obligations

are unspecific. It is essential to realize that this is a substantive fact, not simply a methodological problem. It is not just the social scientist who cannot exactly measure how much approval a given helpful action is worth, the actors themselves cannot precisely specify the worth of approval or of help in the absence of a money price. The obligations individuals incur in social exchange, therefore, are defined only in general, somewhat diffuse terms. Furthermore, the specific benefits exchanged are sometimes primarily valued as symbols of the supportiveness and friendliness they express, and it is the exchange of the underlying mutual support that is the main concern of the participants. Occasionally, a time-consuming service of great material benefit to the recipient might be properly repaid by mere verbal expressions of deep appreciation, since these are taken to signify as much supportiveness as the material benefits [10] In the long run, however, the explicit efforts the associates in a peer relation make in one another's behalf tend to be in balance, if only because a persistent imbalance in these manifestations of good will raise questions about the reciprocity in the underlying orientations of support and congeniality.

Extrinsic benefits are, in principle, detachable from the source that supplies them, but their detachability is a matter of degree. At one extreme are economic commodities, the significance of which is quite independent of the firm that supplies them. The value of a share in a corporation is not affected by the broker from whom we buy it. At the other extreme is the diffuse social support we derive in a love relationship, the significance of which depends entirely on the individual who supplies it. The typical extrinsic benefits socially exchanged, such as advice, invitations, assistance, or compliance, have a distinctive significance of their own that is independent of their supplier, yet an individual's preferences for them are also affected by his interpersonal relations with the supplier. Although the quality of advice determines its basic value for an individual, regardless of who furnishes it, he tends to prefer to consult a colleague whose friendly relations with him make it easy for him to do so rather than a more expert consultant whom he hardly knows.[11] The ease with which he can approach a colleague, the jokes and conviviality that surround the consultation, and other rewards he obtains from the association combine with the quality of the advice itself to determine

[10] See Erving Goffman, *Asylums*, Chicago Aldine, 1962, pp 274–286

[11] See Blau, *The Dynamics of Bureaucracy* (2d ed), University of Chicago Press, 1963, pp 129–131.

the value of the total transaction for him. Indeed, the exchange of instrumental assistance may sometimes largely serve the function for participants of providing opportunities for exchanging these other more salient rewards. Going over and helping a fellow worker with his task might simply be an excuse for chatting with him and exchanging social support.

Since social benefits have no exact price, and since the utility of a given benefit cannot be clearly separated from that of other rewards derived from a social association, it seems difficult to apply the economic principles of maximizing utilities to social exchange.[12] The impersonal economic market is designed to strip specific commodities of these entangling alliances with other benefits, so to speak, and thus to make possible rational choices between distinct alternatives with a fixed price. Even in economic exchange, however, the significance of each alternative is rarely confined to a single factor, which confounds rational decision-making; people's job choices are affected by working conditions as well as salaries, and their choices of merchants, by the atmosphere in a store as well as the quality of the merchandise. Although the systematic study of social exchange poses distinctive problems, the assumptions it makes about the maximization of utilities implicit in choice behavior are little different from those made by the economist in the study of consumption.

In production and in marketing, profit is at a maximum "when the marginal cost and the marginal revenue are equal,"[13] and since both these quantities are defined in dollars, an unequivocal criterion for maximizing exists. But in consumption maximizing involves equating the marginal utilities obtained from expending an extra dollar in alternative ways, and this comparison of utilities poses, in principle, the same problem the study of social exchange does. Indeed, economists typically do not attempt to measure utilities directly to ascertain whether they are equated but simply infer that they are from the distribution of consumer expenditures or from other economic decisions. Thus, if a scientist accepts an academic job at a lower salary than he could command in industry, the so-called psychic income he obtains from his university position is assumed to equal or exceed in utilities the difference in salary. Similar inferences can be made from the observable conduct in social exchange. Moreover, these inferences about the value the social rewards exchanged have for

[12] See Homans, *op. cit.*, p. 72.

[13] Kenneth E. Boulding, *Economic Analysis* (3d ed.), New York: Harper, 1955, p. 552.

individuals can be used to derive testable hypotheses concerning the group structures that will emerge among them and the structural changes that will occur under various conditions, as will be exemplified in chapter seven.

Impressionistic observation suggests that people usually discharge their social obligations, even though there is no binding contract that can be enforced, in contrast to the contractual obligations in economic exchange, which can be enforced through legal sanctions. The reason is that failure to discharge obligations has a number of disadvantageous consequences, several of which do not depend on the existence of a norm of reciprocity. Suppose an individual to whom a neighbor has repeatedly lent some tools fails to reciprocate by doing his neighbor a favor when an opportunity arises. He can hardly borrow the tools again next time he needs them, and should he be brash enough to ask for them the neighbor may be reluctant to lend them to him. The neighbor is also likely to become less friendly toward an individual who refuses to do favors after he accepts some. Besides, the neighbor will probably distrust him in the future and, for example, be disinclined to trust him to repay for having their common fence painted but ask him for payment in advance. Chances are, moreover, that the neighbor will tell other neighbors about the ingratitude of this individual, with the result that this person's general reputation in the community suffers. Specifically, the neighbor's complaints will prompt numerous others to think less well of him, to hesitate to do him favors, and generally to distrust him. The first neighbor and the others have reason to act in this manner even if they were only concerned with protecting their own self-interest. The existence of a norm of reciprocity among them further reinforces their disapproval of him and their disinclination to do favors for him, now as a punitive reaction against a violator of a moral standard as well as to protect their own interest. Finally, an internalized norm of reciprocity would make him feel guilty if he fails to discharge his obligations, subjecting him to sanctions that are independent of any actions of others The multiple penalties that failure to discharge social obligations evokes constitute pressures to discharge them.

Conditions of Exchange

A variety of conditions affect processes of social exchange: the stage in the development and the character of the relationship between exchange partners, the nature of the benefits that enter into

the transactions and the costs incurred in providing them, and the social context in which the exchanges take place.

The initial offer of a favor to a stranger or an acquaintance is of special significance, whether it takes the form of a few friendly words, a cigar, the first invitation to one's home, or some helpful suggestions. It entails the risk of rejection of the offer itself and the risk of rejection of the overture implied by it through failure to reciprocate and enter into a friendly relationship. By taking these risks, an individual brings to an end the complete indifference between himself and another and forces on the other a choice of two alternatives, as Lévi-Strauss has noted: "From now on it must become a relationship either of cordiality or hostility." [14] The offer cannot be refused without being insulting, and acceptance of it invites some friendly exchange, if only of greetings and a few cordial words. Simmel took the extreme view that the first kindness of a person can never be fully repaid, because it alone is a spontaneous gesture of good will for another, whereas any future favor is prompted by the obligation to reciprocate.[15]

The establishment of exchange relations involves making investments that constitute commitments to the other party. Since social exchange requires trusting others to reciprocate, the initial problem is to prove oneself trustworthy. We have already seen how the gradual expansion of exchange transactions promotes the trust necessary for them. As individuals regularly discharge their obligations, they prove themselves trustworthy of further credit. Moreover, the investments an individual has made by fostering a friendly relation with another, in which it is easy to exchange services of various sorts, and by neglecting to cultivate other associates, who might constitute alternative sources of such services, commit him to the relationship. His commitment, which would make it disadvantageous for him to abandon the partnership in favor of another, gives the other additional reasons to trust him not to evade his obligations in their relationship.[16] Both partners gain advantages from a stable exchange partnership, but the greater commitment of one constitutes a particu-

[14] Claude Lévi-Strauss, "The Principle of Reciprocity," in Lewis A. Coser and Bernard Rosenberg, *Sociological Theory*, New York, Macmillan, 1957, p. 90.

[15] Georg Simmel, *Soziologie*, Leipzig: Duncker und Humblot, 1908, pp. 595–596.

[16] Commitment has been conceptualized as a side bet that promotes trust by making it disproportionately disadvantageous for a person to violate an agreement; see Thomas C. Schelling, *The Strategy of Conflict*, Cambridge: Harvard University Press, 1960, Chapter ii; and Howard S. Becker, "Notes on the Concept of Commitment," *American Journal of Sociology*, 66 (1960), 32–40.

lar advantage for the other. Here again we find, as we did in the discussion of social integration and in that of love, a situation that resembles a mixed game with some common and some conflicting interests—the common ones in the partnership and the conflicting ones concerning who makes the greater commitment. The partner with fewer alternative opportunities tends to be more dependent on and committed to the exchange relation than the other.

Since trust is essential for stable social relations, and since exchange obligations promote trust, special mechanisms exist to perpetuate obligations and thus strengthen bonds of indebtedness and trust. In the Kula expeditions of the Trobriand islanders, for example, the ceremonial gifts received cannot be returned until the next expedition many months later,[17] and while exchanges between partners who live in proximity to one another are more frequent, hasty reciprocation here too is condemned as improper.[18] In our society, similarly, the custom of giving Christmas gifts prevents us from reciprocating for an unexpected Christmas present until a year later or, at least, until another suitable occasion arises. Although an invitation to a party can be repaid any time, it is not proper to do so too promptly. Generally, posthaste reciprocation of favors, which implies a refusal to stay indebted for a while and hence an insistence on a more businesslike relationship, is condemned as improper. "Excessive eagerness to discharge an obligation is a form of ingratitude."[19] Social bonds are fortified by remaining obligated to others as well as by trusting them to discharge their obligations for considerable periods.

The nature of social rewards can be distinguished along several lines. First, some social rewards cannot be bartered in exchange, notably intrinsic attraction to a person, approval of his opinions and judgments, and respect for his abilities, because their significance rests on their being spontaneous reactions rather than calculated means of pleasing him. These evaluations of a person or his attributes reward him only if he has reason to assume that they are *not* primarily motivated by the explicit intention to reward him. Rewarding actions, in contrast to evaluations, can be bartered in social exchange since the fact that they are intended as inducements does not infringe on their inherent value as rewards Social acceptance in a group to which a person is attracted, instrumental services of various kinds, and

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[17] Malinowski, *op. cit*, pp. 210–211.

[18] *Ibid*, p 96.

[19] François La Rochefoucauld, *The Maxims*, London· Oxford University Press, 1940, p. 73 (#226).

compliance with his wishes constitute rewards for him even if he knows that they are furnished in exchange for benefits expected of him. Second, within each of these two categories, rewards that are intrinsic to the association between individuals, such as personal attraction and social acceptance, can be distinguished from extrinsic ones, such as approval of decisions or opinions and instrumental services. Third, rewards that individuals may mutually supply for each other, as the four types just mentioned, can be distinguished from those that are necessarily unilateral, which are manifest in the general respect for a person that bestows superior prestige on him and in the prevailing compliance with his requests that bestows superior power on him. The six types of rewards delineated can be presented in this schema:

	Intrinsic	*Extrinsic*	*Unilateral*
Spontaneous Evaluations	Personal attraction	Social approval*	Respect-prestige†
Calculated Actions	Social acceptance*	Instrumental services*	Compliance-power†

* Entails investment costs for suppliers in addition to those needed to establish the social association.

† Entails the direct cost of subordination for suppliers.

The person who receives rewards from associating with another has an incentive to furnish inducements to the other to continue the association, and this is also the case if the rewards are spontaneous reactions that must not be bartered in exchange. Since it is rewarding for an individual to associate with others who accord him high respect, he is likely to provide sufficient inducements for them to continue the association unless he suspects them of simulating respect in order to obtain benefits from him. Positive evaluations of a person must not be bartered lest they cease to be accepted as genuine and thus lose their significance, but they do make social associations rewarding and worth some cost to the recipient and consequently enable the evaluator to reap some benefits from associating with him. Men sometimes take advantage of this fact and express approval of another in a calculating manner to obtain benefits from him in exchange, but this strategy of the sycophant can succeed only as long as its calculating intent remains hidden.

The cost incurred in providing social rewards in exchange for others may be thought of as "investment cost," "direct cost," and "opportunity cost." Investments in time and effort are necessary to acquire the skills required for furnishing many instrumental services, and such investments are also necessary to command respect for one's approval and thereby make it valuable for others. A group's investments that benefit its membership determine the value of social acceptance in the group and the contributions it can demand in exchange for acceptance. The supply of other social rewards usually entails no investments beyond those needed to establish the exchange relations. The most distinctive direct cost in social transactions is the subordination involved in expressing respect or manifesting compliance, that is, in rewarding another with prestige or with power. The most general cost incurred in supplying any social reward is the time required to do so in social associations. Since the significance of this time depends on the alternatives foregone by devoting it to a given exchange relation, it may be considered an opportunity cost. Time is not the only limited resource that may have to be withdrawn from alternative uses, thereby engendering opportunity costs, although it is probably the most widely significant one in social life.

The rewards an individual obtains from a social association cost him the opportunity to devote the time (and other limited resources) spent to another association where he could have obtained rewards. The mutual support in a love relationship and the social acceptance in an artistic circle, the endeavors made to court the approval of others or to command their respect, the efforts devoted to providing benefits to others in exchange for needed services or for compliance with one's wishes—all entail the cost of alternatives foregone as the result of the decision to expend time and energy in these associations rather than elsewhere. This time and effort could have been spent to obtain the same kinds of rewards from another source, possibly at less cost or of a better quality, and it could have been spent to obtain different rewards. As long as these alternatives appear tempting, individuals are inclined to explore them, but once they decide on what they consider the best alternative, they are likely to become committed to an exchange partnership and stop further exploration, with the result that they may not be able to take advantage of better opportunities that do become available.

If an individual obtains gratification from doing something in social interaction that is also gratifying for his associate, he provides the associate with a social reward without any cost to himself Although there is a cost in time for him, this cost should be allocated to the

reward he himself experiences rather than to the one he simultaneously furnishes the other. Such costless rewards are typical of mutual love, where each individual derives gratification in the very process of furnishing it to the other, but they also can be observed in instrumental associations. Giving advice to a colleague costs time and effort, and the colleague is expected to recompense the consultant for this cost, at least by expressing appreciation and respect for his expert counsel. Instead of asking for advice, however, a competent individual who encounters complex problems may tell his colleagues about his interesting case, as was actually often observed in a study of government officials [20]

Such discussions of intricate problems in the presence of fellow experts can be considered consultations in disguise. The attentive listening and appreciative comments of his colleagues provide the speaker, in effect, with needed advice and confirmation by indicating to him whether he is on the right track while "thinking out loud," thus helping him to arrive at decisions that he might not have been able to make when alone. Since listening to and commenting on an interesting presentation of a complex case is instructive and enjoyable, the implicit advice of the listeners does not entail any cost to them for which the speaker would be obligated to recompense them. He obtains advice free, except for the indirect cost of his investment in his competence, without which he could not present complex discussions others find stimulating enough to want to hear.[21]

What exactly is it that enables a person to obtain social rewards from associates without incurring obligations to reciprocate? It is basically the fact that their actions that reward him are experienced by them not as a net cost but as a net gain, that is, as sufficiently rewarding to themselves to motivate them to engage in these actions.[22] The perception of relative advantage of the exchange partners, however, may complicate the situation. For example, if one neighbor

[20] Blau, *op. cit*, pp. 132–135.

[21] He also incurs a cost in time but not an obligation to reciprocate. Individuals who ask advice pay, at least, respect to the superior ability of others implicitly by requesting their advice. In contrast, individuals who present discussions on the complex problems in their cases *earn* respect by doing so successfully, although they do incur the risk of losing respect should their analysis prove incorrect, and this discourages the less competent individuals from resorting to this practice.

[22] Although I emphasized in my study the significance of a person's *intention* of rewarding another in this connection (*ibid.*, p. 134), I now think that the crucial factor is not his intent but whether he himself profits in the very process of rendering a service to the other.

enjoys chopping wood and another wants to have his wood chopped, the first can provide the other with a service by an action from which he directly profits himself (chopping wood), and vice versa (letting wood be chopped), so that initially neither is indebted to the other. But if either or both should come to think that the advantages one gains from the transaction are greater than those of the other, one will feel obligated to supply additional favors to the other, who will feel justified in accepting or even requesting favors. The *comparative* net advantage one person gains from an action that also rewards another is what frees the other from the obligation to reciprocate for the rewards he receives.

In the analysis of the cost in an exchange transaction, it is important to differentiate between the cost to A of obtaining a given reward and the cost to B of supplying it. If B's cost in alternatives foregone are amply repaid by the gratification he receives in the very process of rewarding A, he can supply these rewards at no net cost to himself Nevertheless, obtaining these rewards may be costly for A, because the disproportionate benefits he derives obligate him to make a return to B at some expense to himself. An individual can cut his costs by obtaining rewards from actions of others that are profitable rather than costly to them, if this is possible.[23] Thus, consulting others indirectly by telling them about difficult problems is a more economical method of receiving help with decision-making than directly asking for advice, but only experts whose discussions of problems others find stimulating can avail themselves of this method of obtaining help without becoming obligated to reciprocate for it. Social exchange can also be made less costly and more profitable by supplying social rewards that simultaneously benefit and obligate several others. The person who makes important contributions to an entire group illustrates this way of multiplying the benefits produced by one's actions and so does, to a lesser extent, the individual who mediates disagreements between friends. A manipulative case of this type is illustrated by Proust:

> He would now and then agree to act as an intermediary between two of his friends who had quarrelled, which led to his being called the most obliging of men. But it was not sufficient for him to appear to be doing a service to the friend who had come to him to demand it, he would represent to the other the steps which he was taking to effect a reconciliation as undertaken not at the request of the first friend but

[23] He will cut his cost, although not to nothing, even if they profit less than he does from these actions

> in the interest of the second, an attitude of the sincerity of which he had never any difficulty in convincing a listener already influenced by the idea that he saw before him the "most serviceable of men." In this fashion, playing in two scenes turn about, what in stage parlance is called "doubling" two parts, he never allowed his influence to be in the slightest degree imperilled, and the services which he rendered constituted not an expenditure of capital but a dividend upon some part of his credit.[24]

The social context in which exchange transactions take place affects them profoundly in several respects, which must be briefly adumbrated in this discussion of the conditions of exchange, although a more complete analysis of the interrelations between exchange processes and social structure is reserved for later chapters. First, even if we abstract the exchange transactions in a single pair, they are influenced by the "role-set" of each partner,[25] that is, by the role relations either has by virtue of occupying the social status relevant to the exchange, since these role relations govern the alternative opportunities of the two. The larger circle of acquaintances of the members of a clique who exchange invitations, for example, or the dating opportunities of two lovers, define the alternatives foregone by each and hence affect the cost each incurs in order to obtain rewards from his present association.

Second, the entire exchange transactions in a group determine a prevailing rate of exchange, and this group standard puts pressure on any partnership whose transactions deviate from it to come into line. These are not normative pressures in the sense of moral standards supported by group sanctions that enforce conformity but pressures resulting from existing opportunities The demand for and supply of certain mechanical skills in a group of factory workers, for instance, influence how much respect and other benefits a highly skilled worker can command on the average for helping others with their tasks. Considerable departures from this average in a given exchange partnership create strong inducements for one of the partners to abandon it, inasmuch as more profitable opportunities for social interaction are elsewhere available to him. Third, potential coalitions among the weaker members of a collectivity tend to restrain its stronger members from fully exploiting their advantageous position in exchange transactions. Fourth, the differences in power to which

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[24] Marcel Proust, *Remembrance of Things Past,* New York: Random House, 1934, Vol. I, 703.

[25] For the concept of role-set, see Robert K. Merton, *Social Theory and Social Structure* (2d ed.), Glencoe: Free Press, 1957, pp. 369–370.

exchange processes typically give rise in a group subsequently modify these processes, since established power enables an individual to compel others to provide services without offering a fair return, although the danger of the formation of coalitions to destroy his power may discourage its exploitative use.

Finally, the social situation exerts a subtle but important influence by making the transactions in a given exchange relation part of other exchanges that occur in the background and that may, nevertheless, be the more salient ones. A person may give a waiter a large tip to elicit the approval of his companions at the table for his generosity, not primarily to earn the waiter's gratitude. A worker may kindly help a newcomer and refuse any return offered because he wants to impress his supervisor or senior colleagues. If we look only at the apparent exchange in these cases, the individual appears to be uninterested in profiting from it, but the reason is that he is oriented toward a different exchange, and his unselfish behavior in one exchange is designed to profit him in another by winning him the approval of significant others. The opposite type of case is that of the individual who fully exploits every advantage to extract maximum instrumental benefits from some exchange relations in disregard of the disapproval he thereby incurs, because he needs these benefits to court the approval of other parties who are more significant for him. In either case, the immediate exchange processes cannot be understood without taking into account other exchange transactions that impinge on them.

People want to gain approval and they want to gain advantage in their social associations, and the two desires often come into conflict, since heedless pursuit of advantage tends to elicit disapproval. The multigroup affiliations of individuals in modern societies help to resolve this conflict. The resources needed to win social approval in some groups are typically acquired in other groups whose approval is less significant and can be dispensed with, as mentioned earlier. The money the businessman earns driving hard bargains that make him more feared than liked among his business associates enables him to earn the approval of his friends with his generosity. The politician humbly ingratiates himself with voters in order to achieve a position where he can wield power. The miserly secretary saves all year despite the ridicule of her companions in the hope of impressing another social circle with her affluence during her vacations. The juvenile delinquent willingly draws upon himself the condemnation of the larger community for acts that command respect in his gang. Multigroup affiliation entails social costs, as shown by the last illus-

tration, particularly. It enables individuals in modern society to make the informal, and partly even the formal, sanctions of the community at large ineffective by organizing themselves into subcollectivities whose social approval alone is considered important.

Overwhelming Benefactions

The exchange of gifts and services in simple societies, which frequently assumes a ceremonial form, serves not only to create bonds of friendship and trust between peers but also to produce and fortify status differences between superiors and inferiors. The pervasive exchange processes in modern society, which are typically not institutionalized, have the same paradoxical twofold implication. Indeed, there are many parallels between the exchange rituals in simpler societies and social exchange in ours.

Malinowski has pointed out that the ceremonial objects used in the Kula are virtually pure objects of exchange. Although these armshells and necklaces are sometimes worn on festive occasions, the great pride the islanders take in them is neither due to their value as possessions to be displayed—they are readily lent to others for ceremonies—nor to their significance as heirlooms, since they must not be kept in possession for more than a year or two at the most. It is rather due to the renown an individual achieves from the success in the ceremonial exchange that his temporary possession of a fine Kula object indicates.[26] Other permanent possessions are greatly valued, and "wealth is the indispensable appanage of social rank and attribute of personal virtue. But the important point is that with them to possess is to give—and here the natives differ from us notably. A man who owns a thing is naturally expected to share it, to distribute it, to be its trustee and dispenser. And the higher the rank the greater the obligation. . . . Thus the main symptom of being powerful is to be wealthy, and of wealth is to be generous."[27]

Perhaps our orientation to wealth is really not as different from that of the Pacific islanders as Malinowski claimed in this passage. We too value wealth primarily for the uses to which it can be put to strengthen our power and to win us approval by dispensing it generously. The miser who secretly hoards his wealth gains no social advantages from it and can be considered a pathological case. To be sure, wealth is undoubtedly employed much more often to maintain

[26] Malinowski, *op. cit.*, pp. 86–87, 94.
[27] *Ibid.*, p. 97.

power over people in the complex economic structures in modern society and much less often to be generous to people than it is among the islanders. The reason for this, however, is the segmental nature of modern society, which makes the approval of most of the persons with whom we come into contact of little significance for us, as repeatedly noted. In the narrow circle of intimates whose approval is highly salient for modern man, the main function of his wealth is that it enables him to be generous in dispensing rewards that help win their approval and sustain their affection.

"Total prestation," as Mauss called any form of exchange, "not only carries with it the obligation to repay gifts received, but it implies two others equally important: the obligation to give presents and the obligation to receive them. . . . To refuse to give, or to fail to invite, is—like refusing to accept—the equivalent of a declaration of war; it is a refusal of friendship and intercourse."[28] Giving a present or doing a favor demonstrates trust in another; the other's reciprocation validates this trust as justified. A refusal to give a present or invite a person when the occasion arises implies distrust of him, and so does a refusal to accept a present or an invitation, since acceptance would involve an individual in an exchange relation in which he would have to trust the other to reciprocate at some future date. Distrust in simple societies is the equivalent of hostility, while distrust in economic relations in our society is expected, distrust in sociable relations here too is a sign of unfriendliness. The offer of a present or a favor is an invitation to become friendly; the rejection of such an overture is an insult, and failure to make one when it seems called for is only slightly less insulting.

The acceptance of an overture and the reciprocation of the present or favor received tend to become the starting point of a budding exchange relation and possibly a lasting friendship.[29] The expanding exchange of benefits of various sorts between individuals makes them increasingly interdependent, establishes mutual trust, and fortifies their social bond. A person's interest in the extrinsic benefits that are being exchanged, however, may lead him to accept a favor although he cannot properly reciprocate, or to fail to reciprocate for one

[28] Mauss, *op. cit.*, pp 10–11

[29] The significance of small favors as an invitation to engage in more significant exchanges is illustrated by the Kula practice of soliciting gifts. The partners of an islander who has a particularly valuable Kula object give him soliciting gifts of various kinds, trying to obligate him to give this object to them rather than another partner, see Malinowski, *op cit.*, pp. 98–99, 354–355

although he could. Failure to reciprocate engenders loss of credit and loss of trust, and it ultimately brings about exclusion from further exchanges and a general decline in social status, particularly as a person's reputation as one who does not honor his obligations spreads in the community.

There is a conflict between the obligation to reciprocate and the obligation to accept favors, since the only way an individual who is not in a position to reciprocate appropriately for benefits offered to him could protect himself against the dire consequences of lack of reciprocation would be not to accept the offers. Yet this combination of two apparently incompatible conditions is what makes it possible for largess to become a source of superordination over others, that is, for the distribution of gifts and services to others to be a means of establishing superiority over them. One of the important functions of social exchange is, in the words of Lévi-Strauss, "to surpass a rival in generosity, to crush him if possible under future obligations which it is hoped he cannot meet, thus taking from him privileges, titles, rank, authority, and prestige." [30]

A person who gives others valuable gifts or renders them important services makes a claim for superior status by obligating them to himself. If they return benefits that adequately discharge their obligations, they deny his claim to superiority, and if their returns are excessive, they make a counterclaim to superiority over him. If they fail to reciprocate with benefits that are at least as important to him as his are to them, they validate his claim to superior status. (In simple societies this status difference is typically due to the institutionalized significance of one-sided gifts, while in modern societies it is typically the result of unilateral dependence on recurrent needed services.) If others refuse his offer, it may imply that they cannot afford to repay him for it, and this admission of their inability to be his equal in social exchange also entails a loss of status. But if their rank and affluence are beyond dispute, their refusal of his offer implies something else, namely, that they do not consider him worthy of being their companion in exchange, and in this case their refusal creates animosity.[31]

The ability to distribute valuable possessions becomes a socially

[30] Lévi-Strauss, *op. cit.*, p. 85.

[31] See the discussion in Homans, *op. cit*, pp. 318–319, from which this analysis derives, except that Homans does not make the distinction between the two different implications that the refusal to enter into an exchange relation may have, depending on the refuser's rank and resources. The distinction is implicit in Mauss, *op. cit.*, pp. 10–11, 39–40.

defined mark of superiority. The extreme illustration of this process is found in the institution of the potlatch among the Kwakiutl and other Indian tribes. These ceremonies are, to quote Mauss, "above all a struggle among nobles to determine their position in the hierarchy to the ultimate benefit, if they are successful, of their own clans." [32] For this purpose, feasts are given in which the host not only distributes but actually destroys huge quantities of valuable possessions in order to shame others who cannot match his extravagance into submission. "In some potlatch systems one is constrained to expend everything one possesses and to keep nothing The rich man who shows his wealth by spending recklessly is the man who wins prestige." [33] The seemingly senseless dissipation and destruction of wealth as a means for asserting superior status, which is institutionalized in the potlatch, can also be observed in our society, where it is not institutionalized and takes the form of "conspicuous consumption." Veblen has emphasized that visible achievements, once thought of as indications of a man's skills and capacities to make productive contributions, have come to be emulated and looked up to in their own right, and that conspicuous consumption and even conspicuous waste have become major strategies for asserting superior status by displaying outward signs of achievement.[34] A reason for this might be that conspicuous waste indicates that a person's resources are so great he has no need to husband them, and as it demonstrates his ample potential for rewarding others and obligating them to accede to his wishes, it may lead them to accord him superior status even in anticipation of his actual use of this potential.

The distribution and destruction of valuables at public ceremonies is, moreover, held by many peoples to constitute a sacrifice to the gods in behalf of the entire community, and giving alms to the poor and gifts to children sometimes has similar significance.[35] The rest of the tribe confers high status on those who make these sacrifices, partly in exchange for the good will they are assumed to create among the spirits and gods toward the whole tribe. The benefits a modern community derives from charitable and philanthropic donations correspondingly help to sustain the high status of those who make them.

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[32] *Ibid*, pp. 4–5

[33] *Ibid*, p 35. See also Ruth Benedict, *Patterns of Culture*, Boston: Houghton Mifflin, 1934, chapter vi

[34] Thorstein Veblen, *The Theory of the Leisure Class*, New York: Viking, 1931, chapter iv.

[35] See Mauss, *op. cit.*, pp. 12–16.

Tributes to chiefs constitute a notable exception to the principle that unilateral giving establishes superordination. In the Kula, for example, the initial gift always goes to the chief. "So that the chief sometimes owes a gift to a commoner, but a commoner never owes a gift to a chief." [36] A chief maintains his superiority over commoners despite his temporary indebtedness to some in the ceremonial Kula exchange and despite his dependence on the contributions of many to support his household and staff.[37] The explanation probably is that commoners owe tribute to a chief, and the goods and services they furnish him are not considered favors that obligate him to them but returns for obligations they owe him. The underlying assumption is that the chief's leadership provides important benefits to the community, and their tribute to him, both in the form of valuables and in the form of deference, is a repayment of their continuous indebtedness to him. Institutionalized power commands services which a superior can use to provide benefits to subordinates that fortify his power. Such power makes the services of subordinates insufficient for establishing equality with the superior. Unilateral giving produces status differences between former peers, but once superior status is securely grounded in the social structure its occupant can demand unilateral services without endangering his superordinate position.

An examination of the ritualized behavior in the actual exchange of Kula objects is also instructive: "The native term 'to throw' a valuable describes well the nature of the act. For, though the valuable has to be handed over by the giver, the receiver hardly takes any notice of it, and seldom receives it actually in his hands. The etiquette of the transaction requires that the gift should be given in an off-hand, abrupt, almost angry manner, and received with equivalent nonchalance and disdain." [38] These conventions symbolize the exchange interests of the partners, which they are prohibited from manifesting directly through bargaining, as Malinowski indicates; the recipient's disdain implies that the object is of little value, and the donor's display of anger serves "to enhance the apparent value of the gift by showing what a wrench it is to give it away." [39] In addition, the recipient's nonchalance expresses a lack of need for the valuable, and the donor's off-hand manner of throwing it down similarly expresses a lack of need for it.

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[36] Malinowski, *op. cit.*, p. 473

[37] *Ibid*, pp. 64–65.

[38] *Ibid.*, p. 352.

[39] *Ibid.*, p. 353.

This exchange etiquette can be considered an institutionalized form of role distance, which provides each actor with an opportunity to impress the audience at the ceremony as well as his partner by showing that he can easily rise beyond the demands of the role of Kula partner and that neither the rewards it brings nor the sacrifices it requires involve him deeply in this role.[40] By expressing role distance, a Kula partner implicitly claims that his resources warrant superior status in the exchange structure. This interpretation is indirectly supported by Malinowski's observation that a commoner does show appreciation when he receives a Kula object from a chief,[41] since a commoner would be expected to seek to claim superiority over other commoners but not over a chief. The etiquette that surrounds the giving of presents in our society reveals some parallels with that in the Kula exchange. We too tend to display role distance by depreciating the value of the presents we give—"It's really nothing!"—and, while the recipient is supposed to show his appreciation for the gift, the stereotyped forms of gratitude prescribed by conventions function to conceal any strong interest he may have in the object itself. Gifts are tokens of friendship and social bonds, and the requirement not to exhibit an interest in their inherent value as objects helps to preserve their pristine significance as symbols of interpersonal sentiments.[42]

In sum, overwhelming others with benefactions serves to achieve superiority over them The ritual stance assumed when conferring benefits on others reveals the claim to superiority made by doing so. In many simple societies, exchanges of gifts and services have become institutionalized as the basis for status distinctions, and the institutionalized pattern of approval and deference bestows superior status on those who are able to dispense valuables with most largess. "Where we have institutionalized the market, they have institutionalized the gift."[43] But underlying these institutionalized forms are generic social forces that are manifest in the most complex as well as the simplest societies. Whatever is defined as valuable in a society, those who possess much of it can easily reward others and thus gain ascendancy over them. Their dispensation of these valuables, whether in the

[40] Erving Goffman's concept of role distance was discussed in chapter ii.

[41] Malinowski, *op. cit*, p 352

[42] Simmel has noted (*op cit*, pp. 488–489) that giving something useful to a poor relative or friend who needs it humiliates him, because the evident instrumental value of the gift robs it of its sentimental value, thus emphasizing that he is being treated as a needy person rather than as an intimate.

[43] Homans, *op cit*, p 319.

form of actual rewards or in the form of conspicuous waste that demonstrates their potential to reward, constitutes a claim to superiority most others tend to acknowledge. The recurrent unilateral supply of benefits that meet important needs makes others obligated to and dependent on those who furnish them and thus subject to their power.

Conclusions

People's positive sentiments toward and evaluations of others, such as affection, approval, and respect, are rewards worth a price that enter into exchange transactions, but they must not be explicitly bartered in exchange lest their value as genuine feelings or judgments be compromised. The actions of people that benefit others, however, remain significant whatever the underlying motive, hence their value as rewards is not jeopardized if they are explicitly used for bargaining in exchange transactions. This is particularly so for instrumental services, which constitute extrinsic rewards, including the generic instrumental service of compliance with another's wishes. But the distinction between rewards that are intrinsic to a social association and those that are extrinsic and, in principle, detachable from it is an analytical and relative one.

Social exchange always entails elements of intrinsic significance for the participants, which distinguishes it from strictly economic transactions, although its focus is on benefits of some extrinsic value and on, at least, implicit bargaining for advantage, which distinguishes it from the mutual attraction and support in profound love. The taboo on explicit bargaining in the exchange of gifts is designed to protect their significance as tokens of friendship, that is, as signs of intrinsic attraction, from being obliterated by the inherent value of the objects themselves. Social exchange, then, is an intermediate case between pure calculation of advantage and pure expression of love. However, even economic transactions and love relations rarely express the polar processes in entirely pure form, since the multiple gains and costs typically involved in any economic transaction prevent unambiguous calculation of advantage, and since extrinsic benefits are exchanged in love relations and often help to produce mutual affection. Economic institutions, such as the impersonal market and the contract that stipulates the precise terms of the exchange, are designed to separate concern with distinct objects of exchange from other considerations and to specify the exact obligations incurred in a transaction, thus maximizing the possibility of rational calculation. Social exchange,

in contrast, involves unspecified obligations, the fulfillment of which depends on trust because it cannot be enforced in the absence of a binding contract. But the trust required for social exchange is generated by its own gradual expansion in a self-adjusting manner.

Furnishing benefits to others may lead to the development of bonds of fellowship with them or to a position of superiority over them. A person who distributes gifts and services to others makes a claim to superior status. By reciprocating and, particularly, by making excessive returns that now obligate the first to them, others invalidate his claim and invite further transactions in expanding exchange relations of mutual trust between peers. Their failure to reciprocate, on the other hand, validates his claim to superiority, and so does their failure to accept his offer, unless their evident affluence proves that their rejection is not due to their inability to enter into egalitarian exchange relations with him but to their unwillingness to do so, in which case it is likely to produce hostility. A person can establish superiority over others by overwhelming them with benefits they cannot properly repay and thus subduing them with the weight of their obligations to him. But once superiority is firmly rooted in political or economic structures, it enables an individual to extract benefits in the form of tribute from subordinates without any peril to his continued superiority over them.

It seems to be typical of social associations that the individuals who establish them have some common and some conflicting interests A stable social relationship requires that individuals make some investments to bring it into being and maintain it in existence, and it is to the advantage of each party to have the other or others assume a disproportionate share of the commitments that secure their continuing association. Hence the common interest of individuals in sustaining a relation between them tends to be accompanied by conflicting interests as to whose investment should contribute most to its sustenance. We have seen that the first choice of group members who are attracted to each other is typically to have their position in the group buttressed by the unilateral respect of others for them, although most of them are willing to settle for a position in which they must pay respect to others in preference to being excluded from the group. Similarly, lovers gain advantage from having the other more committed, but their interest in maintaining the love relationship often induces them to make the greater commitment if necessary. In parallel fashion, exchange partners derive most advantage from having the other make the bulk of the investment needed to stabilize their relationship, although their interest in the continuing partner-

ship gives each of them an incentive to make the major investment himself rather than let the profitable association fall apart. In every exchange transaction, finally, each participant hopes to gain much at little cost, yet to profit at all both must come to some agreement. The coexistence of conflicting and common interests in all these social associations means that associates always have first choices that conflict but last choices that are identical, and the first choice of either is the second-last of the other, though it may still be preferable to any available alternative.[44] These preferences, however, are continually modified in the process of maneuvering between partners and exploring alternative opportunities until stable social relations have become crystallized.

Aside from these interpersonal conflicts, there is also the intrapersonal conflict between the individual's desire to gain social approval and support and his desire to gain instrumental advantage in his social associations. This conflict is usually resolved by obtaining intrinsic support primarily from some associates and extrinsic benefits largely from others. The multigroup affiliations of individuals in modern society facilitate this solution, permitting them to pursue their advantage without regard for approval in one social context and to elicit approval and support by their generosity and supportiveness in another, for example, in their business and in their family, respectively. Social approval has less pervasive significance as a restraining force in complex societies than in simpler ones, because the multiplicity of groups and the possible mobility between them in complex societies enables deviants of nearly all sorts to escape from the impact of community disapproval by finding a subgroup of like-minded persons where they can gain approval. Impersonal restraints are, therefore, of special importance in modern societies, and a basic source of impersonal restraint is power.

[44] See the chart on p. 45