Barter System

Exchange Goods & Services

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What is social exchange

"Social exchange is limited to actions that are contingent on rewarding reactions from others." Implied is a two-sided, mutually contingent, and mutually rewarding process involving "transactions" or simply "exchange."(Blau)

- The social exchange theory focuses that all human relationships are created by using a cost-benefit analysis and comparison with alternatives.

- For example, when a person gets the profits of a relationship over the costs made, the person, according to this theory, continues the relationship otherwise leaves the relationship. This theory has its roots in economics, psychology and sociology.

- Social exchange theory is a model for interpreting society as a series of interactions between people that are based on estimates of rewards and punishments.

- Behavior (profits) = Rewards of interaction – costs of interaction.

- Rewards can come in many forms:
- social recognition,
- money,
- gifts, and
- even subtle everyday gestures like a smile, nod, or pat on the back.

- Punishments also come in many forms, from extremes like
- public humiliation,
- beating, or execution,
- to subtle gestures like a raised eyebrow or a frown.

Example

REWARD

PUNISHMENT

Example

Sampling
- People consider the potential costs and rewards of a new relationship and compare it with other relationships available.

Bargaining
- As the relationship develops, partners give and receive rewards; this tests whether a deeper relationship is worthwhile.
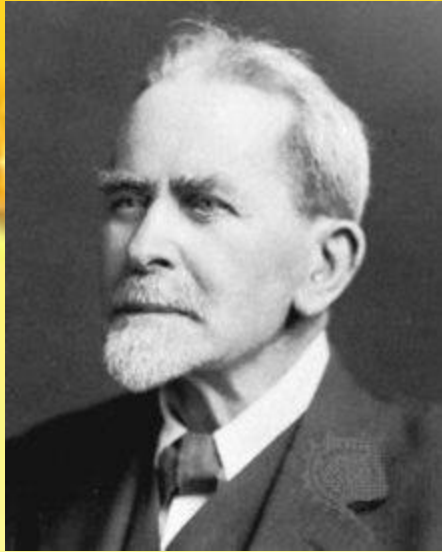
Commitment
- As predictability increases in the relationship, each partner knows how to elicit rewards from the other, and costs are lowered.

Institutionalization
- Norms are developed within the relationship, which establishes the patterns of rewards and costs for each partner.
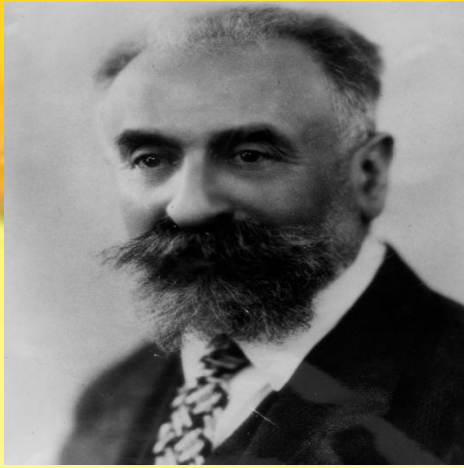
Thibaut & Kelley, 1959

James Frazer

- 1st person in studied social exchange
- Folklore in the Old Testament(1919)
- Australian tribe's marriage system
- Exchange girls to get marriage
- People who have lot of girls(sister/daughter) are rich
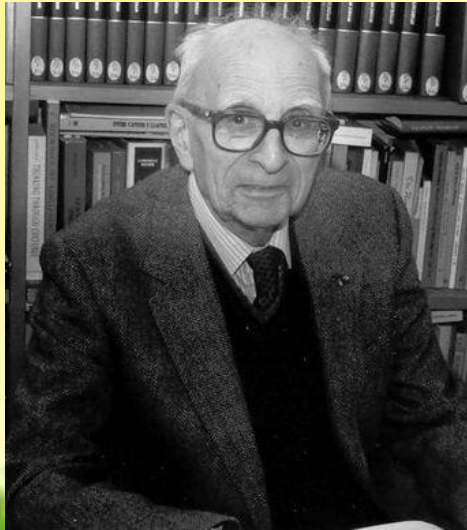
Malinowski

- 1st person make differentiation between social and economic exchange
- Cultural perspective
- Studied Trabian island people
- Exchange ring(Saulva & Mwali)
- Kula , Gimwali &Wasi custom-Non coin exchange

Marshal Mouss

Levi Strauss

➢ **studied social exchange in holistic and structural point of view**
➢ **Persons are not important**
➢ **To give, to receive and to repay**
➢ **Societal pressure to repay**
➢ **Moral code**

➢ **The process of exchange is important what is exchange is not important**
➢ **Culturally define the objects of exchange perspective**

Modern Thinkers of social exchange Theory

- British individualistic orientation- Spencer,Frazer, Malinowski, Homans

- Emphasize on individual- protestant religion

- French Collectivistic orientation- Durkheim, Mauss, Levi Strauss-catholic religion

George Casper Homans

- The human group(1950)

- Social Behaviour:Its Elementary Forms(1961)

- He used the term social behaviour

Three dimensions of Social Behaviour

- Reward and punishment are in social behavior
- Social behavior relates to human society
- Social behavior take places face to face

Three basic propositions about human behavior:

- 1. The Success Proposition. "For all actions taken by persons, the more often a particular action of a person is rewarded, the more likely the person is to perform that action" (under similar stimulus conditions)" (p. 16).

- 2. The Stimulus Proposition. "If in the past the occurrence of a particular stimulus, or set of stimuli, has been the occasion on which a person's action has been rewarded, then the more similar the present stimuli are to the past ones, the more likely the person is to perform the action, or some similar action, now" (pp. 22-23).

- 3. The Deprivation-Satiation Proposition. "The more often in the recent past a person has received a particular reward, the less valuable any further unit of that reward becomes for him" (p. 29).

Three basic propositions about human behavior:

- 4. The Value Proposition. If the result of action is very important and valued(costly) the person will occurs such action.

    Reward ⟶ More action

- 5. The aggression approval Proposition. If persons do not receive the proper rewards they will aggressive or vise versa.

Thank you

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