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Gift Economies Aren't So Giving

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Oddly, the nature of *pre*-modern economies plays a central role in today's

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distribution of economic goods and services by gift exchange in ancient economies with the distribution of economic goods and services by market transaction in modern economies. John M. G. Barclay observes in his exhaustive review of the literature on “gift” in *Paul & The Gift* <
https://www.amazon.com/Paul-Gift-John-M-Barclay/dp/0802875327/ref=sr_1_1?keywords=paul+and+the+gift&qid=1568564353&s=gateway&sr=8-1> that modern scholarship on the replacement of gift by market,

[H]as commonly adopted a heavily moral tone, bemoaning the loss of solidarity and traditional generosity in the wake of the “cold” and “calculating” search for profit, driven only by utilitarian self-interest. Historians could then argue as to when this “turn” from gift to market took place in the history of Western civilization, with answers ranging from the eleventh to the nineteenth centuries.

Indeed, Barclay’s analysis itself is not consistently free from moral freighted comparisons between gift and market. Nonetheless, the central economic question of today’s postliberal moment is this: What did we lose in the transition from ancient economic forms to the national and international market systems of today?

The question itself assumes a lot. There is, for example, vigorous debate over just how scarce market exchange was in the ancient world relative to gift exchange. Some scholars argue that robust markets systems existed along side gift systems almost from the dawn of history. (See for example Hejeebu and McCloskey’s “[The Reproving of Karl Polanyi](https://www.tandfonline.com/doi/abs/10.1080/08913819908443534) <
<https://www.tandfonline.com/doi/abs/10.1080/08913819908443534>>,” and

.)

In this essay I do not rehearse the historical argument. Rather I want to take up the substantive comparison, arguing that the social distance between economic distribution by reciprocal gift and distribution by market is less than we often recognize. The irony is that despite the modern re-discovery of the necessarily reciprocal nature of economic distribution in ancient gift economies, moderns still import, even if implicitly, the ideal of pure, unilateral gift into their understanding of gift economies. As a result, modern market production and exchange appears uniquely to treat people instrumentally relative to non-market economic production and exchange in pre-modern times.

In setting up the claim, let me add immediately that I am *not* saying that there is little difference between economic distribution by gift exchange and economic distribution by market exchange. There are many significant differences. These differences reflect themselves in fundamentally different ways peoples and societies experience the distribution of physical goods and in the ways they interact with each other.

I am arguing, however, that “instrumental rationality” was just as much a part of exchange in ancient gift economies as it is in market exchange, even as that instrumentalism is reflected and experienced differently in the different economies.

Let me start by taking a step back. Radical and postliberal criticisms of “neoliberalism” feature both an economic dimension and a social dimension. The economic dimension of the criticism is well-known: wage stagnation and growing inequality, **at least in the West** <

The social criticism of neoliberalism, while flowing out of what critics style as market rationality, highlights its impact on human solidarity and dignity.

The social criticism contrasts the **instrumental valuation** <

https://www.amazon.com/Undoing-Demos-Neoliberalisms-Stealth-Revolution/dp/1935408542/ref=sr_1_1?

[crid=23F7VVL8GYE7E&keywords=wendy+brown+undoing+the+demos&qid=1561096364&s=books&prefix=wendy+brown%2Cstripbooks%2C326&sr=1-1](https://www.amazon.com/Undoing-Demos-Neoliberalisms-Stealth-Revolution/dp/1935408542/ref=sr_1_1?crid=23F7VVL8GYE7E&keywords=wendy+brown+undoing+the+demos&qid=1561096364&s=books&prefix=wendy+brown%2Cstripbooks%2C326&sr=1-1)

> of people induced by the market with the ostensibly more humane and personal relationships fostered by non-market economic distribution.

Importantly, while initiated in and by market relationships, according to the criticism, market rationality is exported analogically into other domains of modern life, structuring and dehumanizing relationships in those domains as well.

The standard by which to compare social relationships in market systems with those of non-market systems is usually not taken to be modern forms of bureaucratic socialism. Rather, comparison is more often made with pre-modern economic systems in which the distribution of goods and services ostensibly occurred largely on the basis of “gift.” This is the hallmark, for example, of the much-cited and repeated argument of Karl Polanyi’s highly influential book, ***The Great Transformation*** <

https://www.amazon.com/Great-Transformation-Political-Economic-Origins/dp/080705643X/ref=sr_1_1?

[crid=30MUUZI9GSYDQ&keywords=the+great+transformation+polanyi&qid=1568683026&s=books&prefix=the+great+trans%2Cundefined%2C541&sr=1-1](https://www.amazon.com/Great-Transformation-Political-Economic-Origins/dp/080705643X/ref=sr_1_1?crid=30MUUZI9GSYDQ&keywords=the+great+transformation+polanyi&qid=1568683026&s=books&prefix=the+great+trans%2Cundefined%2C541&sr=1-1)

>. It also is important in Karl Marx’s history of pre-market systems. And much of the burgeoning modern scholarship on “gift” draws the same comparison.

Yet as modern scholarship on gift underscores, reciprocity stood as a fundamental aspect of gifting in the pre-modern world. This central facet of ancient gift economies is hugely consequential for understanding and comparing human relationships in gift economies with those in market economies. To the extent that gifts in gift economies are intrinsically reciprocal then they are also necessarily instrumentally rational. While the *objects* and *ends* over which instrumental rationality plays may change dramatically in the transition from gift to market, if reciprocity was inherent in pre-modern gift economies, then instrumental rationality *in itself* did not result of the rise market economies.

Barclay notes in his extended survey of modern scholarship on gift:

the universal significance of gift-reciprocity, despite large variations in the types and contexts of gifts between human partners . . . the importance of the ties established by gifts, and the expectations of return, explain why it is important for donors to be selective in their distribution of gifts, using some criterion of “worth” to give discriminately and well.

The modern focus or understanding of “gift” as unreciprocated invites anachronism when moderns apply this exceptional, distinctly modern conception of gift to the premodern world. “[T]he anthropology of the gift has raised the possibility that the notion of the ‘pure’ gift, a gift without return, is a historically and culturally specific Western invention.” Barclay adds, “Once we understand the ‘pure’ gift as a cultural product, we can resist the modern tendency to take it as a natural or necessary configuration of the paradigmatic gift.”

[I]n antiquity it was taken for granted that gifts are accompanied by obligations and should elicit some form of return; even philosophers who disavowed a material return (Aristotle) or scorned *utilitas* (Seneca) considered gifts/benefactions to be necessarily embedded in reciprocal relations.

This does not mean nothing distinguishes gift economies from market economies. But it does mean that instrumental rationality is not an invention of the market.

Non-pecuniary objectives in ancient gift economies such as “honor” or “status” are not objectives inconsistent with instrumental rationality. The objectives pursued may have been different in gift economies than objectives pursued by many moderns in market economies, but instrumental rationality structured the decisions just as surely.

Part of the problem arises because many scholars who study gift in the ancient world have caricatured understandings of modern economics and modern economic analysis. They often seem to think economic analysis is limited to the consideration of cash and market exchanges. Yet this has not been true for at least seventy years. Economists, and rational choice scholars more generally, include numerous non-monetary, non-corporeal items in their “utility functions,” including many of the things or ends that people sought in ancient gift economies. Nor is behavior limited to market exchange. The asynchronicity of exchange, the absence of guaranteed return, the creation of social and political ties, and more, are all easily subsumed within instrumental forms of rationality. Nobel prize winning

Governing the Commons < https://www.amazon.com/Governing-Commons-Evolution-Institutions-Collective/dp/1107569788/ref=sr_1_1?keywords=governing+the+commons&qid=1568683839&s=books&sr=1-1>.

While Barclay recognizes that “‘gifts’ and ‘commodities’ are not mutually exclusive: the two modes of interaction can overlap or interpenetrate . . . and the same items can move from one form of transaction to another,” he nonetheless occasionally draws the distinction between gift exchange and market exchange too sharply. For example, he writes

While the boundary between gifts and market sales was not watertight, a distinction between the two models of transaction was normally clear: remuneration for sales was immediate, certain, and calculable, while gifts fostered enduring relations in which the return was uncertain and often not commensurable with the gift.

To be sure, “remuneration for sales” at modern grocery stores and gas stations may be “immediate, certain, and calculable,” but this is hardly a ubiquitous feature of market exchange. Consider the significance of contracts over employment, or purchasing a house, or buying stocks and bonds, and much, much more. These market exchanges, while significant both at the individual level as well as the aggregate level, are nonetheless not exchanges that are “immediate, certain, and calculable.”

Further, at least in modern society, the domain of non-market transactions cannot be identified as a domain of “enduring [personal] relations.” To be sure, gifts continue to play a significant role in relationships within families, and between friends and tightknit social groups. Yet in other domains, non-

Public Safety. The sheer scale of need, along with social commitments to treating all “clients” alike, almost certainly requires these bureaucracies and their impersonalism. Perhaps gift economies of the premodern world could take care of people in need as analysts such as Polanyi claim it did, but modern bureaucratic distribution does not, and cannot, create the “enduring relations” reflected in ancient gift economies.

Even the “personalism” of the ancient gift economy’s exchange system does not guarantee more humane, and human, outcomes. There are fewer relationships more dehumanizing than the ancient relationships between masters and slaves or lords and serfs. Yet all of this is included within the domain of the gift exchange, at least at the local level of manor or plantation.

The anachronism of reading the modern notion of gift, with its emphasis on unilateral donation, often causes even modern scholars to understate, even sanitize, the instrumentalism of the gift economy. Barclay could hardly put it more strikingly:

Gift-giving is thus by no means always an innocent or even a friendly enterprise [in the pre-modern world], but is easily manipulated by those in a position of power: as Sahlins cynically remarks < https://www.amazon.com/Economics-ECONOMICS-Marshall-Dec-31-74-Paperback/dp/B007SLJVFY/ref=sr_1_fkmr1_2?keywords=stone+age+economics+second+edition&qid=1561383154&s=books&sr=1-2-fkmr1 >, “everywhere in the world the indigenous category for exploitation is ‘reciprocity.’”

“market,” and in so doing to include all forms of hierarchical production and distribution as species of gift economies. Significant segments of these “gift economies” were simply non-market “command economies.”

Ignoring this, critics of neoliberalism on both the left and the right have a tendency to romanticize pre-modern, non-market economies. As if humans treating other humans as means rather than as ends in themselves began in the Nineteenth Century. But while perhaps lamentable, instrumental rationality has been a ubiquitous facet of human interaction over the millennia. If in fact markets cause problems in social relations in the modern world, we need to make sure whatever the solution is does not merely reproduce the same problems in a different guise.

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