

## Some notes about gifts

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### 1 Introduction

Gifts are a popular form of social communication in many cultures. We give gifts to celebrate holidays, birthdays, professional achievements, weddings, etc.; we give them to friends and family members, to the person we hope to marry and to the person who delivers the newspaper.

Yet gifts are puzzling, especially to economists (Camerer 1988). They are quite inefficient: enormous amounts of money are spent on them each year, but they are often not what the receiver wants. One study, looking at the difference between what gifts cost to buy and the value placed on them by the recipients, estimated that \$4 billion dollars was “wasted” on Christmas gifts alone (Waldfogel 1993). Why do people persist in this inefficient and expensive behavior. Can – and should – we make it more efficient?

Gifts are also puzzling to the people participating in the exchange. An entire industry of etiquette writers and department store gift advisors exists to help people figure out what is an appropriate present to buy. Holiday shopping is stressful, as people worry about who to give to, what to give, how much to spend. The rules of gift giving are in constant flux as one’s relationships and position in life change. Should you give different gifts to your sister now that you are a successful entrepreneur, not a struggling student? What about her gifts to you? The rules also change as society evolves. Courtship, for instance, has changed rapidly since the nineteenth century, bringing with it new types of relationships – the casual date, the steady, the online prospect. – unheard of in previous generations. Exchanging gifts, which means knowing what to give and when to give it, is a key part of defining these relationship. How do people learn the meaning of these gifts? How do they define the relationship?

Indeed, the more closely we look at the nearly universal cultural behavior of gift-giving, the more puzzling it becomes. Gifts are meant, at least on the surface, to be beneficent and beneficial. Yet much anxiety accompanies gift giving, for giving the wrong gift or in an incorrect manner is a serious social blunder. Receiving a gift may also be fraught with more tension than pleasure. Not only may the gift be not to one’s taste, but receiving a gift can imply acceptance of a relationship one does not seek, and can put one unpleasantly in debt to the giver.

If we look at gifts as signals, the puzzle makes much more sense. Personal gifts can signal the giver’s beliefs about the recipient and intentions for their relationship. They also signal the giver’s tastes, interests, wealth and cultural background. Gifts may function as signals not only to the recipient but to the community at large: the use of gifts as public signals of one’s identity and status is capable of motivating exorbitant acts of generosity (Mauss 1990 [1950]). When viewed as signals, the inefficiency of gifts is not irrational wastefulness, but a meaningful cost that adds to the reliability of the signal’s message.

Gift giving, with all its tensions, has a fundamental role in defining and strengthening social relations.

How gifts are given is part of what defines a culture, for they define relationships, mark significant events, and give meaning to many goods and actions. New communication technologies change cultures, and thus change the practice of gift-giving. The emergence of new social relationships, such as the community of contributors to an open source project or the friend known only through email, presents new roles to acknowledge through gifts. There are also new types of gifts – ones composed of information, of messages forwarded and code contributed. Furthermore, online commerce has changed the process of obtaining and presenting gifts. People publish wish-lists of items they'd like to receive, and objects from around the world can be bought and sent from the convenience of one's desk, eliminating the need to enter a shop or interact with the recipient. These changes have certainly made gift-giving more efficient – but how have they affected the signaling function of gifts?

## 2 What are gifts?

At first it seems that a gift is easy to define. It is a special thing that someone gives you, wrapped in nice paper, the sort of thing one receives as a child at a birthday party. But there are many types of gifts. Some gifts are homemade, some are store-bought. A gift can be cash, but not all cash transactions are gifts. The same object, given between the same two people, can be a gift in some situations but not in others. If I give you a present, and you give me one, how is this different from barter? Why is it a gift when a man gives jewelry to one woman with whom he has a close physical relationship yet it is a payment for sexual services when given to another? Are all the things that come in wrapping paper and ribbon truly gifts? What about the free gift with purchase at the cosmetics counter?

The key element that separates gifts from other exchanges is that gifts are social. Their purpose is to establish, define or strengthen a social relationship.

Gift exchanges are thus the opposite of commodity exchanges. Commodities are bought and sold in market transactions, where the buyer and seller are each primarily interested in the objects and money exchanged; their concern with the other is simply as an agent effecting the efficient flow of goods and services through the economy. By contrast, the gift is given in social interactions, where the giver and receiver are primarily interested in each other and their relationship; here it is the object that is nearly incidental, of interest because it is instrumental in enhancing the interaction of giver and receiver.

In pure commodity exchanges, the objects are “fungible”, as are the buyer and seller. Fungible means “freely interchangeable with another”. The mass produced items bought at a typical chain store are fungible, at least until we take them home and make them our own. So are the people in the roles of cashier and customer: the customer goes to a cashier, but who the person in that role is does not matter and the cashier does not take much note of who is passing through their line. In gift exchanges, the item given is made unique simply by its role in that process: the generic vase becomes the-vase-Aunt Millie-gave-me-for-a-housewarming-gift and its value derives from the importance the receiver puts on the relationship with the sender, the meaning perceived in the gift's signal, as well as its intrinsic value as an object or action. The identity of the giver and receiver and their relationship both shapes and is shaped by the meaning of the gift.

In the classic anthropological work on gifts, Marcel Mauss's *The Gift*, gift exchange and commodity exchange are seen as opposing structures which characterize different societies. Subsequent studies have shown that they co-exist in many cultures – and even in the same

transaction. In a neighborhood store, the proprietor may put aside a certain item for a favored customer – this is a market exchange, but there is also an element of the gift in it. The purpose of the exchange is not only to trade object and money, but to strengthen the relationship between owner and customer. And transactions that we think of as gift exchanges can have aspects of the commodity to them. The people lined up at the returns desk after Christmas, trading argyle sweaters for sequined tights or polka-dotted ties for plain blue ones, are turning gifts back into commodities.

Mauss's writings about gifts emphasized the social - that gifts are a means of establishing and strengthening social bonds. He described gift giving as an endless series of reciprocal bequests: I give something to you, now you are indebted to me until you give me something, at which point I become indebted to you. The gift could be an active force in this process; he described, for instance, the Maori concept of *hau*, a force that resides within a gift that needs to return to its point of origin, to the original giver and the place where the gift came. In Mauss's accounts the gift is an active object, embodying something of the giver, and enforcing reciprocity.

Mauss based his theories of the gift on "primitive" societies, and though he acknowledged that the practice of his day was to use such studies as "curiosities" or as lessons in how far modern society has come, he believed that there was much to be learned about modern society from them, both as the roots of modern practice and as a way of gaining a fresh perspective on the use and customs of gift giving. The form and context of contemporary gift-giving is very distant from that of the tribes Mauss describes, but there are important parallels between the blankets a chief distributes at a potlatch and diamond earrings in the Tiffany box the husband presents on Valentine's Day.

they are social

they are reciprocal

there is an element of power involved

they serve as a display of status

*Gifts are social:* As discussed above, the key feature of gifts is that they establish, define or strengthen a social relationship.

*Gifts are reciprocal:* In Mauss's world, reciprocity was explicit. The recipient of a gift was required to repay the gift, preferably with an even grander one. The forces[explain] that ensured reciprocity did so by making terrible misfortune fall upon those who did not reciprocate.

Yunxiang Yan, in his study of gift giving in the close-knit social networks of rural China, observes that "One cannot simply offer a gift in exchange for getting something done; this is considered insulting by the gift recipient. Instead, one must first actively participate in the endless cycle of customary gift-giving so as to cultivate one's *guanxi* network. Then, when one needs help one can resort to other people in the network." The reciprocity of gift giving is a way of signaling the social tie between the gift exchangers.

In our world, reciprocating gifts is good form, but bears none of the life and death urgency that Mauss reported. In the tribal world Mauss observed, gift giving was the central form of

exchange, vital to the life of the community; a breakdown in the rhythm of gift exchange would be economic collapse. In the modern world, market exchange has become the primary mechanism for distributing goods and services. Gifts are a significant part of the economy – Christmas presents alone account for [\$\$\$] annually – but few of us rely on gifts for daily shelter and sustenance. Even using the broadest definition of a gift, which goes way beyond the wrapped and ribboned present, it is possible today to live, to work and obtain food and shelter, in the complete absence of social exchange and thus completely outside the world of gifts.

Fortunately, most of us do exist within a web of social relations, and thus, even if we are not big present givers, within a world of gifts.

The broadest definition of gifts includes all items exchanged and actions done within the realm of social rather than monetary relations (Carrier 1991). In this sense, offering someone a ride home is gift, cooking dinner for one's family is a gift, making an effusive compliment is a gift. Even the way we control our emotions, conjuring up gaiety for the host of a party or empathic sadness and anger for a friend going through a divorce, can be construed as a gift (Hochschild 1983). What is and what is not a gift is a matter of subtle judgment – and how it is determined is very dependent on underlying social and philosophical models of the observers. For Mauss and many of the writers who followed him, the key distinction was between gifts and commodities – that is, between the social and economic spheres. His work has thus been characterized as Marxist, though with an emphasis on how good circulate rather than on how they are produced (Carrier 1995). Within social and anthropological writing there has been considerable debate about the distinction between gifts and goods – do they constitute different worlds? Is this dichotomy artificial and is reality more of a continuum between them? (Appadurai 1986).

Another dimension of distinction for gifts is between gifts and bribes. Here too the theoretical distinction may be clear, but practice is muddier. Slipping \$20 to a policeman to give you a warning rather than a ticket is clearly a bribe, but what about the various gifts, dinners, and entertainments that accompany business transactions? (Smart 1993) When are they unacceptable bribes and when are they part of the process of developing a relationship within the business world? These distinctions are slippery, and the criteria for making them are subtle and culturally subjective.

Is a tip a gift or a payment for services? If it is a gift, it is not taxable. If it is not, it is part of one's wages, and thus taxable – but also considered part of one's income when calculating compensation. [tips initially considered gifts, now are wages] Changing legal rulings trace the evolution of society's assessment of what is a gift. (Zelizer 1997)

Finally, there is the distinction between gifts and everyday necessary tasks. If I make dinner for my family and set the table with candles and fine china, this may be easy to see as a gift. But what if I toss some take out burritos on the counter? When the baby's mother changes a diaper, is this a gift to her husband? What about when the father changes it, is this a gift to his wife? Tension and resentment occur when one family member intends his or her actions as gifts yet they are perceived by another as simply the fulfillment of required duties [hochschild 2<sup>nd</sup> shift]. Changing notions of the family, of men's and women's roles have shifted expectations which can be seen via the disparities in ideas of what actions are gifts.

Much of the theory around gifts, whether legal or anthropological, has focused on the notion of reciprocity, though different ideas have been put forth. The idealized gift of Western culture is a

gift because no reciprocation is expected – if one expects something in return, then it is not a gift. For Mauss and his followers, reciprocity is central to the notion of gift. Yet reciprocity has some problems when it is used as a defining feature (whether in its presence or its absence) in determining what is a gift. Very few gifts achieve the self-less ideal – in real world behavior, most gifts are reciprocated, this is the expectation – considered very rude not to – should we accept this definition, then gift giving very rare.

### 3 References

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