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Discussions about Energy and Our Future

What Can We Learn from Gift Economies?

Posted by [Gail the Actuary](#) on January 28, 2010 - 10:15am in [The Oil Drum: Campfire](#)

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When I sat down to research this post, I thought I would write a post about barter, since it seemed like if our current financial system failed, barter would be one possible form of back-up. But when I started to research [barter](#), the first thing I came across was this statement:

Contrary to popular conception, there is no evidence of a society or economy that relied primarily on barter. Instead, non-monetary societies operated largely along the principles of [gift economics](#). When barter did in fact occur, it was usually between either complete strangers or would-be enemies.

So I decided to step back a bit, and look into gift economies. It seemed to me that if our current system fails us, we should have at least some idea regarding what options might be available that could perhaps be pieced together into a new system that works. As I looked at gift economies a bit, I realized our current system has a substantial element of gift economics in it. Perhaps if our already functioning gift economy can be expanded, it may play a role in transitioning to a more suitable long-term economy.

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What is a Gift Economy?

Gifford Pinchot writes in [Business on a Small Planet](#):

In the potlatches of the Chinook, Nootka, and other Pacific Northwest peoples, chiefs vied to give the most blankets and other valuables. More generally, in hunter-gatherer societies the hunter's status was not determined by how much of the kill he ate, but rather by what he brought back for others.

In his brilliant book [The Gift: The Erotic Life of Property](#), Lewis Hyde points to two types of economies. In a commodity (or exchange) economy, status is accorded to those who *have* the most. In a gift economy, status is accorded to those who *give* the most to others.

According to [Wikipedia](#), a **gift economy** is

. . . a society where valuable goods and services are regularly given without any explicit agreement for immediate or future rewards (i.e. no formal quid pro quo exists). Ideally, simultaneous or recurring giving serves to circulate and redistribute valuables within the community.

John Elemans [states](#) that an important difference between a gift economy and an exchange economy is that in a gift economy, a bond develops between the gift giver and the recipient, while in an exchange economy, the parties often don't care if they ever see each other again. Elemans goes on to explain that when a person takes a job in Japan, many of the exchanges are similar to those in a gift economy. The employer is closely involved in the life of the employee and may even help find a spouse for an employee. In return, an employee shows much more loyalty to the employer (in terms of not changing jobs) and is very concerned about the quality of his work.

[Wikipedia](#) gives a number of examples of historical gift economies. Within "modern" society, there are many places where the gift economy is operative today, even as the exchange economy (capitalism) goes on as well.

One of the big areas where the gift economy operates is within the home. A mother generally takes care of her children, without any particular reward in return. Often a mother does quite a bit of the housework as well. Before the expansion of capitalism in recent years, women did even more than they did today--staying home to care for children, rather than sending them to day care, and often taking care of grandparents as well.

Another place where we see the gift economy is sharing of information over the Internet, including sites like The Oil Drum (which is a volunteer organization) and Wikipedia, which is mostly volunteer. Peer to peer file sharing and free software are other examples of the gift economy. The *giving* of professional papers at conferences might also be considered part of the gift economy. Another form of gift giving is the huge remittances sent to home countries by those working in the US and Europe.

Matriarchal societies are gift economies according to the [Gift Economy Conference](#), most likely because with motherhood and household chores, women tend to think in terms of a gift economy. In comparison, Capitalism is sometimes thought of as patriarchal.

Gift Societies Promote the Unselfish Contribution Needed for Sustainability

Gifford Pinchot [explains](#) that if we are to have a sustainable society, we need to have something closer to a gift economy, because people will then value their contribution to society, rather than only considering what they get out in return. According to Pinchot:

The first step toward a sustainable sense of success is taking pride in the value of our contributions to others rather than taking pride in the value of our possessions. By extension this means striving for quality in the use of whatever power we have rather than working to get more power over others as an end in itself. In this view, profit and wealth may help us to contribute, but they do not themselves constitute business success.

If we went to the grave with riches gained by gutting the pension fund, or selling pesticides we know cause more harm than the insects they control, would we count our business lives successful? On the other hand, what if we stewarded a small company that repeatedly introduced more ecological ways of doing things? Maybe other larger players who quickly copied the ecological innovations gained much of the material reward. If we barely made ends meet, but clearly made the world a better place, is that a success?

Capitalism is (in one view) Acting to Steal from Gift Societies

Genevieve Vaughan in [The Gift Economy](#) indicates that many of the gains of the Capitalism have taken place at the expense of what previously would have been exchanges in the gift economy:

Globalization is one more development of Patriarchal Capitalism by which more gift labor and cheap resources (resources of which a large part is free to the buyer) can be transferred from the South to the North. The market economy makes it appear that the gifts are going the other direction, that the Capitalists are giving jobs to the people of the South. Having caused enough scarcity through exploitation and debt creation, the North has diminished the level of life in the South so that the price of labor is cheap for the Northern investors - that is it brings a large percentage of gift value. By privileging a few workers by monetizing their labor, Northern corporations create a funnel or bridge by which gifts from the South can be brought to the North, with the appearance that the Corporation is providing the only source of a decent livelihood.

A structure of laws is made to uphold the flow of gifts from the South to the North, from the poor to the rich, from women to men. These laws are based on the values of the

exchange system, on defending property over the satisfaction of needs, on 'paying' for crime, and maintaining the hierarchical structures of dominance. What is needed is not justice, which is based on the system of exchange, but a commitment to finding the problems which cause crime and solving them. That solution may include the protection of the gift givers rather than of the Patriarchal Capitalists, a re visioning of society, putting the gift paradigm first and showing the actual dependency of the market upon gift giving. In fact the market, the whole exchange economy is actually a parasite on the gift economy - and the gift economy allows this. It nurtures the parasite.

There seem to be a fair amount of writing along this line at this [site](#). This a link to a group of [podcasts](#) that seem to be along the same line.

Religions and Gift Economies

If one looks at religious writings associated with Jewish, Christian, and Moslem religions, one can see statements that seem to encourage gift economies. (Obviously, even at the times these writings were written, an exchange economy went on as well, so this was not the only economy).

Psalms 37:21 The wicked borroweth, and payeth not again: but the righteous sheweth mercy, and giveth.

22 For such as be blessed of him shall inherit the earth; and they that be cursed of him shall be cut off.

Acts 30:35 [Paul] In everything I did, I showed you that by this kind of hard work we must help the weak, remembering the words the Lord Jesus himself said: 'It is more blessed to give than to receive.'

Leviticus 35 ' If one of your brethren becomes poor, and falls into poverty among you, then you shall help him, like a stranger or a sojourner, that he may live with you.

36 'Take no usury or interest from him; but fear your God, that your brother may live with you.

37 'You shall not lend him your money for usury, nor lend him your food at a profit.

Religious groups often act as gift economies, with donations made by members. They may provide services to individual members, for example, an Amish [barn raising](#), to help a group member.

If a person lends money at interest, the result is a whole different type of transaction than giving to the poor. In a declining economy, making loans with the intent of getting paid back with interest is going to work less and less well. Perhaps an approach from the gift economy (shared labor to reduce the amount borrowed?) can be used to supplement current approaches.

Some Benefits of Gift Economy Actions

Some families seem to function more as gift economies than others. I know I grew up in a family that very much functioned as a gift economy, and my own family has tended to function fairly much that way as well. If there was ever an "argument", it was always in terms of, "You are doing too much. Let me do the work," or "Let me pay for it." If it is possible to get a family--or larger group--to function in this manner, it very much cuts down on arguments.

My father (who is no longer alive) tells of delivering babies, and in exchange getting a couple of dressed raccoons from the parents, probably about 1950. This really wasn't barter--even back then, it would have cost more than two raccoons to deliver a baby--it was more of sharing what one had, no matter how little it might be. Physicians weren't nearly as rich back then, and welfare played a much smaller role.

It is hard to imagine a gift economy functioning very broadly, but if it did, perhaps there would be less strife in the world and less need for social programs.

Questions

1. In what ways can we adopt more of a gift economy, if our current system deteriorates? A couple of examples I can think of include families taking in elderly relatives and a laid off-worker moving in with friends.
2. It seems like for a gift economy to function well, there would need to be a fairly small number of participants in the economy, and the group would need to be tightly knit. [Dunbar's Number](#) represents a theoretical cognitive limit to the number of people with whom one can maintain stable social relationships. This is commonly cited to be about 150 people. Do readers have experience with whether gift economies can be made to work well with larger groups?
3. It seems like a gift economy would be a whole lot easier to operate than a barter economy. Would that advantage be the reason gift economies, rather than barter economies, were so widely adopted historically?
4. Can anyone see ways that a gift economy could be adopted outside very small local groups? Would it make sense to try to do so?
5. I understand that in Cuba, a law was passed that if you had extra room in your vehicle, you were required to pick up people needing rides, if they were standing in designated ride-sharing locations. Do you think the USA could get to this point of sharing?
6. What ideas do you have for making a gift economy work, if only on a small scale?



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