



# Peter Blau's Conception of Social Exchange Theory: A Critique

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## Abstract

This paper examines Blau's conception of social exchange, and the process and factors involved in social exchange. It then attempts to give a critique of the same in terms of the process and the practical applicability of Blau's conception in our daily lives. The paper finally concludes that his conception could be a potential source of social conflict in society.

## Introduction

A number of scholars such as Peter Blau, George Homans, George Simmel, and Bronislaw Malinowski have explicated the theory, concept and process of social exchange. Of these scholars, Blau devoted more time to Social Exchange theory in his book *Exchange and Power in Social Life* (1964). However, he left out some important considerations in his Social Exchange Theory that are the basis of this paper's critical appraisal. Other critics such as Heath (1976), Ekeh (1974), and Chadwick-Jones (1976), among others, have dealt with Blau's theory.

## Social Exchange Theory

At the micro-level, the social Exchange Theory is an elaboration of the Communication Theory; the latter encompasses more than a symbolic interaction theory. This is because of the idea that all these theories deal with the way human beings interact in everyday life. However, some scholars such as Chadwick-Jones (1976) pointed out that in reality there is no such thing as a Social Exchange Theory, though the phenomenon is there. What there exists is a collection of propositions and hypotheses embodying certain general assumptions concerning social life and social behaviour. Nevertheless, a theory can be formulated from propositions and hypotheses if they do form a logical and consistent system. Blau's Social Exchange Theory is constructed from such propositions and hypotheses. Simmel (1908) suggested that social interaction takes the form of exchange more than is commonly recognized. Accordingly, all contact among persons rests on the schema of giving and returning the equivalent. Malinowski (1922) also demonstrated that "give and take" pervades the social life of

primitive people; that it is based on behaviour that is reciprocal. Homans (1961), in this same tradition, conceptualized social behaviour as an exchange of activity that is tangible or intangible, and is more or less rewarding or costly between at least two persons. Seen in this way, social exchange becomes rooted in social behaviour; and as such, social behaviour is the equivalent of social exchange.

Much of human behaviour is guided by considerations of exchange. Yet for the social exchange process to take place, there are two important pre-conditions which must exist: Firstly, behaviour must be oriented towards ends that can only be achieved through interaction with other persons. This means that an individual who enters or seeks to enter into a social exchange situation and achieve the desired goal, has thought about it beforehand and must be ready to relate with other individuals. Secondly, the behaviour of the individual must seek to adapt means to further the achievement of these ends. This means that the individual must be ready to honour the obligations involved in order to obtain and continue receiving the goals of the original behaviour.

### **Blau's Conception of Social Exchange**

Blau (1964) conceives of social exchange as a "social process of central significance" in social life. This process is derived from simpler processes, and from them more complex processes derive. Accordingly, social exchange involves the voluntary actions of individuals, which are motivated by the returns they are expected to bring and in fact do typically bring from others. Human beings enter into new social associations and expand their interaction with them because they actually find doing so rewarding. Blau, therefore, gives examples of social exchange as neighbours exchanging favours; children's' toys; colleagues assistance; acquaintance courtesies; politicians' concessions; discussants' ideas; and housewives recipes. These types of exchanges are rather strong in real life and tend to create enduring links within the social milieu. Many of these social exchanges are readily recognized and described by those taking part in them through speech. For instance, the reference to such words as "indebted", "owe", among others, points to the exchanges that take place in real life.

Social exchange according to Blau (1964) can be observed everywhere once we are sensitized about it. It is not only present in market (economic) relations, but in friendships and in love. This shows that social exchange is pervasive in social life. Yet Blau has pointed out that not all social behaviour is social exchange, and not all exchange in social life is social exchange. His concept of exchange essentially includes that category of social exchange in which all actions are contingent on rewarding reactions. They cease to be

social exchange when the expected reactions are not forthcoming. This means that rewards are central to Blau's concept of social exchange. Any social behaviour motivated by an expected return or response from another, falls under social exchange. For example, if an individual conforms to the norms of his/her group in order to win the praise of his/her peers but ceases to conform when the praise is not forthcoming, one can then talk of social exchange of conformity for approval.

In social exchange, the crucial aspect is use value. The exchange also involves certain obligations which are not clarified. Furthermore, in social exchange personal feelings of gratitude and a degree of trust between the interacting persons is to be found. Social exchange therefore rests on the norm of reciprocity where one individual obligates another. In the social exchange process, a return is expected but it involves diffuse future obligations and not precisely specified ones. The nature of the return (reciprocal behaviour) cannot be bargained about but must be left to the discretion of the one who makes it. This essentially forms the basis of trust in a social exchange situation. According to Blau, people do honour these social obligations even though there are no formal contracts entered into.

### **The Process of and Factors in Social Exchange**

Once the two pre-conditions exist, the process of social exchange, according to Blau (1964), proceeds in the following manner:

- i) Individuals, in the interest of continuing to receive needed services, need to discharge their obligations for having received the services in the past.
- ii) An individual who supplies rewarding services to another obligates him.
- iii) To honour this obligation, the obligated person must provide benefits to the first in turn.
- iv) If both these persons value what they receive from each other, both are likely to supply more of their own services in order to provide incentives for the other to increase his supply and to avoid becoming indebted.
- v) As both these individuals receive increasing amounts of the benefits they originally sought, their need for further assistance typically declines and the process of exchange between the persons may cease.

As the process of social exchange takes place, it is affected by various factors such as the stage in the development of the relationship between the social exchange partners. For example, new neighbours within a neighbourhood who participate in social exchange might affect the pattern of

exchange than could old ones. Another factor which might affect the exchange process is the character of the relationship between the persons, plus the benefits or costs incurred in the process of exchange. For instance, if one party in the exchange feels that he/she is incurring more costs than the benefits he/she is receiving, it might affect the whole process of exchange or even cause it to be terminated.

### **A Critique of Blau's Social Exchange Theory**

Social exchange as conceptualized by Blau, has implications for the wider society. After all, the theory has been equated with everyday human behaviour and action. Heath (1976) strongly criticized exchange theorists on the grounds that the theory of exchange does not begin with a theory of exchange. Instead, it begins with a theory of choice. This can be applied not only to exchange but to other phenomena as well. According to Heath, choice deals with situations of certainty and those involving risk. This is what he refers to as a "riskless choice": this means that human beings choose between potential alternative associates or courses of action by first evaluating the expected returns. After all, Blau (1964) lay emphasis on voluntary actions and the returns they are expected to bring. An element of choice must therefore be involved in social exchange.

Although Blau exempted coerced exchange from what he conceptualized as social exchange, Heath (1976) pointed out that coerced exchange falls under what can be considered as rational choice; after all, social exchange depends on both sides finding it preferable to alternatives open to them at the moment in question. We could therefore argue that a person who, for example, exchanges his money in order to spare his life has used rational choice that gravitates to social exchange.

Since social exchange takes place between individuals in their daily interaction, it can be said to enhance social integration in society. On the other hand, though it serves as a basis for the creation of social systems (networks), it can, at the same time, enhance social inequality (social stratification). This can occur when an individual who seeks advice from another may be at the mercy of the one who is giving advice. Further, the more regularly advice is sought the more the advice giver will demand in terms of rewards from the person given. The inference here is that advice is given in exchange for recognition of status. Therefore, the person who gives advice gains a higher status than the one who seeks it. By so doing, the giver has more power than the receiver, and consequently, social inequality becomes enhanced.

In his conceptualization, Blau draws a distinction between social and economic exchange. According to him, social exchange differs from

economic exchange in the sense that the former is based on trust, obligations and gratitude but does not involve some moral obligation, whereas the latter involves some contracts. Yet in our daily experiences, we do observe economic transactions that are preceded by social exchange. For example, governments will first enter into informal deals where heads of states may visit each other on non-economic matters. Such visits lay the foundation on which trust obligations and gratitude are established. In subsequent visits, the two heads of states may enter into economic transactions where contractual agreements may be entered into. This may be the reason why Blau seems to indicate that both are part of a general phenomenon of exchange.

During the process of exchange, and as the exchanging parties continue to receive increasing amounts of what they originally needed, their need for further assistance declines. This is termed "marginal utility". Some questions arise here, such as what happens after this decline? Do the persons involved in the exchange cut off all relations with each other; and if they do, what happens? Firstly, it is the contention of this paper that it is not realistic for the needs of both persons to decline at the same rate in real life: One person's needs must decline before the other's. Once this happens, that one person cuts off the relationship, there is the possibility that the other might feel misused and even neglected. This could be the basis for social tensions. Blau's social exchange process is therefore a potential source of social conflict. Alternatively, the relationship may gradually lose the momentum it started off with leading to an eventual break up. For example, in terms of individuals visiting one another, such a relationship may eventually wane if one of the parties feels that the expected returns are no longer worthwhile. Nevertheless, the Social Exchange Theory provides us with an understanding of why people enter into various social contracts and remain in them. Also, it provides a link between the study of everyday social life and further improves our understanding of the social processes that govern relations between persons.

Further, Blau's conceptualization of social exchange allows us to gain insight into how social structures are created and why they persist. Also, it can be significant, as it has already been, in analysing various structures.

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