

TAKING THE PERSPECTIVE: EXCHANGE THEORY

Georg Simmel (1858–1919) was the first sociologist to have a clearly articulated exchange theory. He saw exchange as a type of social form, a patterned mode of interaction through which people meet personal and group goals. For Simmel, exchange is the basic social form because it is based on reciprocity. His theoretical focus is on how value is set or achieved. Value is based on sacrifice and scarcity, both of which are most directly determined by the immediate exchange relationship. Even though value is felt subjectively, it is determined by the totality of elements in the exchange (how scarce the exchange object is and how much someone is willing to sacrifice for it).

Contemporary exchange theory has by and large gone in two different directions. First is an approach initially developed by Richard Emerson (1962) and his colleague Karen Cook (1978). Blau takes the exchange between two people (dyad) as the archetypal type of exchange. In contrast, Emerson and Cook focus more on the network of exchange rather than the exchange itself. Social networks are defined by the patterns and positions of a group's interaction. For a quick example, think about an organizational chart. A person's position on that chart determines his or her general pattern of interaction. The same is true for any social group of which you are a member. Within a group, there are specific patterns of interaction: Some members of the group interact more than others, and some members don't interact together at all, even though they are in the same group. Social networks, then, are another kind of structure that produces effects that don't originate with the individual, that don't come from social group membership or identity, and about which the individual may or may not be aware.

Rational choice theory shifts focus back to the individual and the outcomes of his or her rational choices. One of the problems posed is that what may be rational for a group may not be rational for the individual. For example, if a group of six people were to move a piano upstairs, it's rational for the group to work together but not rational for the individual. People rationally seek to avoid cost and pain; moving a piano involves one and perhaps both. From the point of view of the individual, then, it's rational to appear as if he or she is contributing but in fact allow the others to do the actual work. This is called the problem of the "free rider." Because of this tendency of rationality and because there are certain goods that can only be created by a group, people rationally develop norms that limit or require action. These norms are rights given to some individuals to control the actions of others, and members agree to these obligations in exchange for comparable limitations and obligations being placed on others. (See James S. Coleman's [1990] *Foundations of Social Theory* for a systematic argument from this perspective.)