

XII Structuring the modern perspectives

This chapter is also introductory. It discusses reciprocity, presents Trautmann's taxonomy, provides patterns of giving for the purpose of orientation, and sketches the topics to be covered.

A Patterns of giving

(1) Overview

We have provided definitions of reciprocity and altruism in section II.B. However, this book does not add to the large literature on how to define altruism, reciprocity, gifts, or the like. A bewilderingly intricate net of definitions is found in Mercier Ythier and Kolm (2006).⁶³⁴ For example, Kolm (2006, p. 12) discusses the "assumption that individual *i* derives no pleasure from the pleasure that other people derive from the pleasure of other people, or that she finds this pleasure of hers or of other people to be irrelevant for her choice". Leaving aside subtleties such as these, some patterns of giving can be expressed as in Figure 2.⁶³⁵ Apart from donor, object, and receiver, the motivations for giving are specified. Compare <165> from the Buddhist literature.

According to the upper left pattern, a human person A gives to a (human or divine) person B in order to obtain something from B now or in the future, or because A has obtained something from B in the past. This is the reciprocity defined in <1>. This kind of exchange is clearly non-altruistic. Above (subsection II.B(1)) I have defined altruism of a person A towards a person B as A's inclination to, or actual behaviour in, sharing with B in the absence of past or future sharing the other way around. For the present purposes, we can distinguish between four different motivations for the feeling of altruism or for the act of (more or less) altruistic giving. The upper right pattern is similar to the upper left one, but B's obligation here is of a moral, rather than a legal, kind. B will be thankful for A's favours and will reciprocate if the opportunity

634 See, in particular, chapters 1–6.

635 Compare the patterns in the ethnological literature, for example in Godelier (1999, pp. 89, 98).

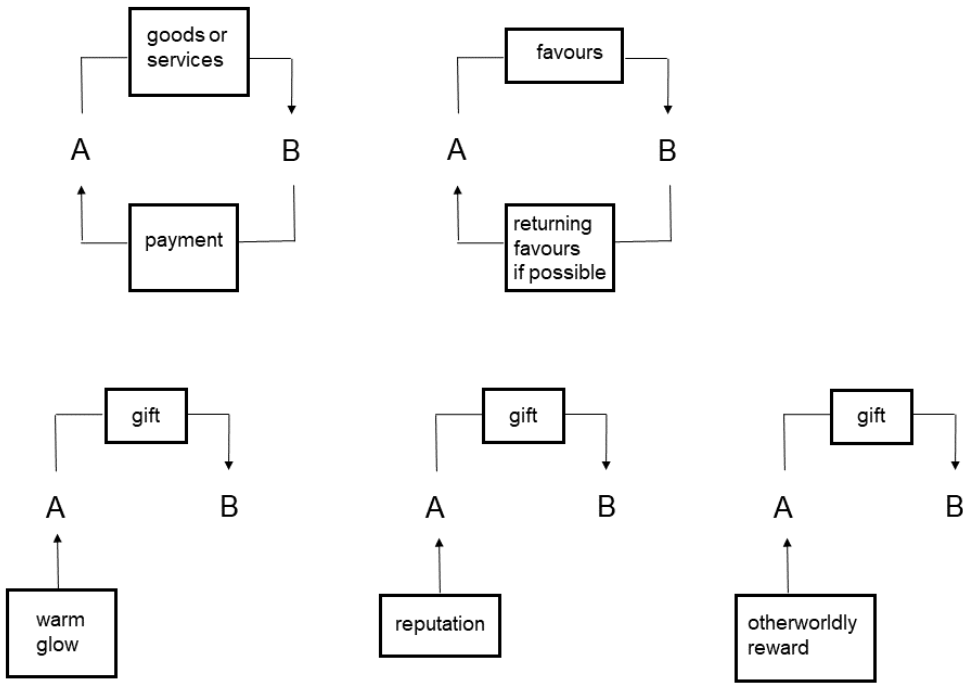


Figure 2: Five patterns of giving

arises, but not otherwise. This is Seneca’s idea of benefits (see chapter IX), which is similar to Kāmandaki’s “united alliance” (subsection VI.H(4)).

The three patterns depicted in the second row deal with further motivations for giving. In the lower left pattern, a person A gives to a person B in order to “feel good”, i.e., in order to experience a “warm glow”. A warm-glow giver is not only interested in certain receivers’ obtaining gifts, but also that he himself belongs to the givers thereof (subsection II.B(3)). Andreoni (1989, 1990) has shown that warm glow is empirically relevant. The lower middle pattern acknowledges that other people might notice A’s liberality. In particular, A’s generosity may entail reputation effects (for example in a *mahādāna*). Finally, the lower right pattern stresses the “merit” that A may accumulate by giving, the case of *dharmadāna*. One may understand the second row as depicting motivations stemming from

- A’s inner feelings,
 - A’s membership in society, and
 - A’s belief in “unseen” effects in a later life or in another world,
- respectively.

I suggest the labeling of the second-row givings as gifts. The middle and right patterns in the second row refer to the case where a person A gives to a person B in

order to obtain something from a third party C. In my usage, reciprocity is not involved. Of course, there is nothing wrong with labeling this case as “reverse reciprocity”, as does Kolm (2006, p. 25). See also the discussion in section VI.I. In the middle pattern, C is a human actor or “society” (see chapter XVIII). In the right pattern, C is an otherworldly actor (a “god”) or a force (for example, “karma”). This is the classical case of a dharmic gift (chapter XIX).

Some people (but certainly not the current author) argue that the three gifts in the second row are not altruistic, as the giver has a “reason” for his action. To an economist, totally disinterested action in the sense of “not caring either way” is difficult to imagine. More importantly, the Indian authors (on *dānadharma* and other topics) seem to argue in a psychological manner by enquiring as to the motivations for specific actions. In line with definition <6> on p. 14, the altruism addressed here is clearly an impure one. Altruism is not to be equated with unselfishness. Still, one might argue that the level of altruism increases from top to bottom and from left to right. It seems to me that Kṛṣṇa’s ethical *svadharma* theory should not be discussed here. It will be briefly covered in subsection XVII.B(2).

Outside of the patterns treated here, there are several cases of getting without giving:

- In the case of treasure troves, no (obvious) owner exists. We briefly comment on this case in the conclusion (subsection XX.A(1)).
- Theft⁶³⁶ or robbery is described in some detail in the Buddhist literature. See <187> and the paper by Kieffer-Pütz (2011).
- The case of giving without giving-up is treated in section XIX.J.
- The king’s violent takings are dealt with in subsection (3) below. See also subsection VII.B(5).
- Kāmandaki’s “unseen man” alliance (subsection VI.H(5)) seems to describe the free-rider phenomenon. A free rider does not contribute to some common cause, but nevertheless benefits from other actors’ efforts.⁶³⁷

(2) Giving motivated by worldly reward

With respect to the upper left pattern, one might distinguish between two subcases depending on B’s human or divine nature. We start with B as a human actor, i.e., with the plain economic motivation of reciprocity. Here, A gives in order to oblige B to reciprocate, or because he himself is obliged to reciprocate. Oftentimes, the obligation is legal. The Indian *dharmasāstra* authors use the term *arthadāna*, which is characterised by *prayojanam apeksya* (“upon some particular purpose”) and *aihikaṃ phalahetukam* (“motivated by worldly reward”), see <94> above. Thus, the upper left

636 Trautmann (1981, pp. 278, 291) refers to theft as “negation of exchange” or “null case of exchange theory”.

637 Free riding has been covered by psychologists, social scientists, and moral philosophers.

pattern refers to thisworldly (economic) affairs—*aihika* matters. This word is derived from *iha* (“here, in this world”). Now consider the case where B is an otherworldly actor, a “god”. We are then in the area of sacrifice, where the god benefits from the human actor’s sacrifice and sees to it that the human actor obtains offspring, victory in battle, or the like (see section IV.A). Whereas both thisworldly and otherworldly rewards may be called *phala*,⁶³⁸ otherworldly ones would never be characterized as being *aihika*.

According to Trautmann, *aihika* may also refer to *kāmadāna* or *bhayadāna*: “Profane”⁶³⁹ is another word for *aihika* or thisworldly and is concerned with “mundane reciprocity”: “any advantage tangible or intangible that a gift may be expected to incur or respond to, such as the favors of a woman [*kāmadāna*, HW, <94>3] or immunity from one’s tormentor [*bhayadāna*, HW, <94>6], is its visible fruit, its *quid pro quo*.” On *bhayadāna*, see subsections (4) and (5). In contrast to profane, “sacred” refers to “transcendental reciprocity” (see <10>): “Only if the gift is made without this visible quid pro quo in prospect, among other things, can it be presumed that it incurs an invisible fruit, a transcendently bestowed countergift. [...] a working out of the idea of karma—that all acts bring strict retribution according to their moral quality, if not in this life, then in another.” Here, we may point to the lower right pattern.

(3) Trautmann’s taxonomy

Trautmann (1981, pp. 278–285) suggests an analysis based on two pairs of contrasting modes of exchange: “sacred versus profane” (just covered) and “noble versus ignoble”. The noble exchange is the one performed by the *kṣatriya* class, especially by the king. See <19>, <53>, and <97>. The *kṣatriyas* take by force and distribute liberally: “Conquest (*jaya*), consisting of the open use of force to defeat and kill the previous possessor, gives the *kṣatriya* clear title, so to say, the title of the previous perishing with him. [...] It is ennobling violence, the heroism of the battlefield, that is the *kṣatra-dharma*. The use of deceit or trickery [...] is forbidden, much less to act in a hidden, covert way as does a thief.”⁶⁴⁰ Within the noble exchange, “[t]here is a twofold movement here. On the one hand, the king acquires wealth not by accepting gifts or by commercial transactions, but by force of arms, *jaya*; he ‘eats’ (*bhaks*) the people, the tax or tribute he enjoys is his rightful portion (*bhāga*) [...]. On the other hand, his expenditures are the uncompelled acts of a purely personal generosity.”

In this manner, Trautmann (1981, p. 278) arrives at “the intersection of two oppositions”, which can be translated into a two-times-two matrix (see Table 6).

638 See LDK 1.18, where *duṣphalaṃ niṣphalam* etc. clearly refer to otherworldly merit.

639 See Trautmann (1981, p. 281) for all the quotations in this paragraph

640 See Trautmann (1981, p. 283) for this and the following quotations in this paragraph.

Table 6: Trautmann’s taxonomy in the form of a matrix

	ignoble acquisition of wealth	noble acquisition of wealth
profane	<i>arthadāna</i>	King takes by force for worldly purposes.
sacred	<i>dharmadāna</i>	King takes by force for invisible purposes (achieved for example, by giving to worthy receivers).

(4) Framing

Returning to the upper left pattern of giving, one might distinguish between receiver initiative and giver initiative, which are related to demand and supply, respectively. See Table 7. This table makes it clear that the difference between economic giving versus giving for reasons of fear is largely a matter of framing:

- One can try to reframe a Gift Based On Fear as a Gift Based On Worldly Gain (see section VI.D). Instead of saying: “Give x to me, or I will hurt you” (x as *bhayadāna*), one might alternatively say: “Give x to me and I will grant you freedom from fear” (so, perhaps, x as *arthadāna*).
- Inversely, a Gift Based On Worldly Gain can be expressed as a Gift Based On Fear. After all, the *arthadāna* suggestion “Give x to me and I will give y to you” is substantially the same as the *bhayadāna* threat of “Give x to me or I will withhold y from you”.

The framing option depends on the moral and legal framework within which such “trades” take place. *Arthadāna* concerns morally-acceptable and legal transactions and the first (promise) row in Table 7. *Bhayadāna* prevails in the second (threat) row and concerns transactions which go against moral or legal norms.

Table 7: Demand versus supply, promise versus threat

	initiative by receiver of object	initiative by giver of object
promise	demand: If you hand over the object to me, I will pay x to you.	supply: If you pay x , I will hand over the object to you.
threat	withholding of demand: If you do not hand over the object to me, I will keep x for myself.	withholding of supply: If you do not pay x , I will not hand over the object to you.

(5) Bribery and extortion

Arguably, bribery and extortion are instances of the upper left pattern of giving in Figure 2. While both “bribery” and “extortion” are used to translate the Sanskrit *utkoca*, they refer to different “exchanges” (see subsection VII.F(3)). In the cases of both bribery and extortion, the receiver of money (or other benefits) is blamable and punishable. To my understanding, bribery involves a civil servant (*niyukta*) or some other person who acts (or refrains from acting) so as to benefit the briber in an illegitimate manner. This is in line with Noonan, according to whom bribery is “improper reciprocation with an officeholder for an act intended by society to be gratuitous”⁶⁴¹ and can be characterised as “criminal and consensual”^{642, 643}

Usually, a transaction would be considered a bribe because it is a transaction benefitting the agents involved, but doing harm to outsiders. In contrast, extortion refers to harming the potential donor in an illegitimate manner, a threat to be averted via payment. This understanding matches the observation by Lindgren (1993, p. 1699): “If a citizen is paying only to buy fair treatment and nothing more, he is the victim of extortion and has not committed bribery according to its general lay perception. Bribery usually is thought to consist of paying for better than fair treatment.” Table 8 distinguishes between receiver initiative and giver initiative (left or right column) on the one hand and between bribery (first row) and extortion (second row) on the other. Bribery is mainly giver-initiated, while extortion is usually receiver-initiated. Indeed, one might connect bribery more closely with giver initiative and extortion with re-

Table 8: Bribery versus extortion

	initiative by <i>niyukta</i> or any other person as receiver	initiative by any giver
payment for illegitimate favours	invitation to bribery: Favouring you, I will illegitimately act/not act if you pay x to me.	bribery: You will favour me by illegitimately acting/not acting and I will pay x to you.
payment for preventing illegitimate harm	extortion: Against your justified interest, I will illegitimately act/not act unless you pay x to me.	extortion prevention: You will not harm my justified interests by illegitimately acting/not acting and I will pay x to you.

641 Noonan, Jr. (1984, p. 685)

642 Noonan, Jr. (1984, p. xiii)

643 Further elaboration of the definition is not necessary here, but Noonan, Jr. (1984) has a lot to contribute, both on this and on the difficulties of distinguishing between gifts that are reciprocal and bribes (pp. 687–690).

ceiver initiative. The current author’s definitions place more weight on the legitimacy of the receiver’s acting or non-acting.

It seems that my definitions are in line with the understanding visible in Gharpure (1950, p. 370), who translates *utkocā* (!) in DSmCV 452.7 and 452.10 as bribery. In the third example of <153>, we have the special instance of receiver-initiated bribery, i.e., the upper left matrix entry “invitation to bribery”.

B Overview of the third part

I propose to structure the etic perspectives in the following manner: Starting from the simplest exchange models, increasingly complicated issues are introduced one by one, as far as this is possible. Let our presentation of the book’s contents be guided by Figure 3. Starting from the top, if a legal obligation to reciprocate exists, we are in the realm of *dānagrahaṇa*. Here, the Latin “*do ut des*”—giving in order to obtain—prevails. Compare this to <34>, where we encounter the Vedic “*dehī me dādāmi te*”. It does not really fit here, as gods cannot be taken to court for having not granted a son in response to a sacrifice. The left branch of Figure 3 finds its justification in two quotations from the lawbook of Nārada:

<210> *tena krayo vikrayas ca dānam grahaṇam eva ca |*
vividhās ca pravartante kriyāḥ saṁbhoga eva ca ||⁶⁴⁴

It is by means of wealth [*tena*, HW] that sale and purchase, giving and receiving, enjoyment, and all sorts of transactions take place.⁶⁴⁵

<211> *ṛṇam deyam adeyam ca yena yatra yathā ca yat |*
dānagrahaṇadharmās ca ṛṇādānam iti smṛtam ||⁶⁴⁶

The subject of Non-payment of Debts covers: when debts are to be paid and which are not to be paid, and by whom, when, and how, along with the *dharmas* for giving and receiving.⁶⁴⁷

The first quotation shows that “sale and purchase” are particular instances of “giving and receiving”. In the case of a loan (*ṛṇa*), reciprocation is deferred. According to the second quotation, *ṛṇa* is seen as another particular instance of “giving and receiving”.

Up to about chapter XVII, part Three thus deals with reciprocal exchange in different contexts:

- Chapter XIII revisits, from modern perspectives, the ways in which Indian texts perceive economic exchange of goods and services. We cover auctions and interest

644 NSmV 1.44

645 Lariviere (2003)

646 NSmV 1.1, but, following Davis, Jr. (2010, p. 74), with the variant *dānagrahaṇadharmās ca* in place of *dānagrahaṇadharmāc ca* in pāda c.

647 Lariviere (2003), but Davis, Jr. (2010, p. 74) with respect to pāda c.

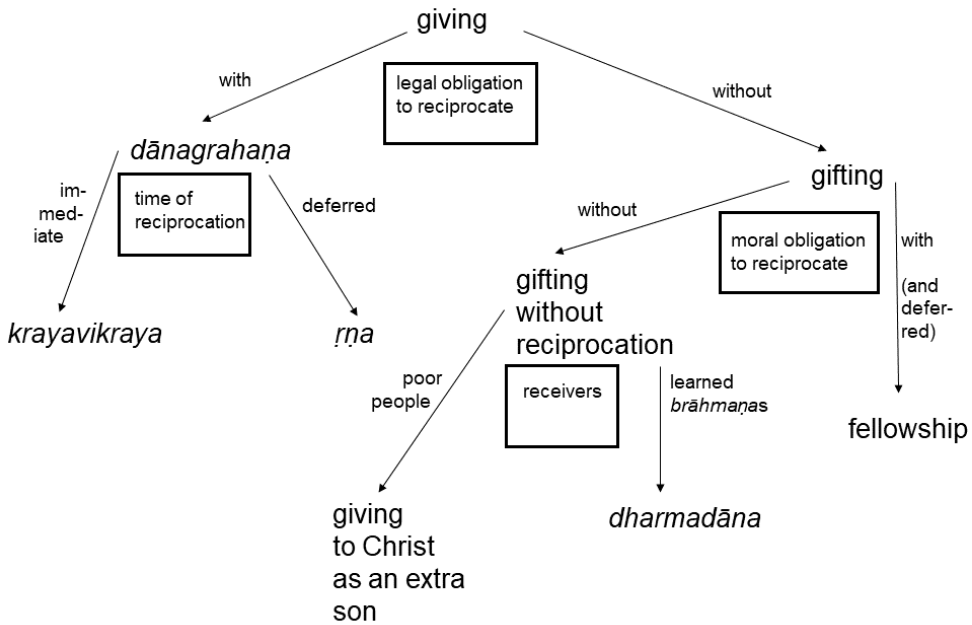


Figure 3: The main categories of giving

rates. A particular focus is on the reasons why economic exchange may be intended, but may go “wrong”.

- Chapter XIV covers *kanyādāna*.
- Chapter XV revolves around marketing.
 - In the reciprocal relationship of an *ācārya* with his pupils (roughly speaking: teaching against *dakṣiṇā*), which marketing techniques do these *ācāryas* employ?
 - Can gift-receiving Brahmins also be considered from the marketing perspective? How about competition between Brahmins (or churches, or similar institutions)?
 - Finally, I turn the tables and ask whether the *dāna* theories might lead to a new manner of structuring modern marketing textbooks.
- Chapter XVI explains how the king is part of various reciprocal relationships, partly based on fear.
- The patron of a Vedic sacrifice finds himself at the intersection of two exchange relationships, one with the gods and another one with the officiating priests. This is explored in chapter XVII.

Leaving the reciprocal part of the book, other motives are explored:

- With a view to Figure 2 and to the middle pattern in the second row, chapter XVIII deals with gifts that are given to some person in order to gain advantages with

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respect to other people. Thus, a rather impure form of altruism prevails. A specific example is Seneca's fellowship, i.e., *beneficium* reciprocity.

- It is only in chapter XIX that dharmic giving is treated. The aim is to provide small economic models that shed some light on this rather intricate Brahmanical theory of the gift.