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Economics

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All human societies have economic systems within which goods and services are produced, distributed, and consumed. In one sense, the economic aspect of culture is simply the sum of the choices people make regarding these areas of their lives. Such choices have important ramifications. For example, choosing to become a farmer rather than an insurance broker may determine where you live, who you are likely to meet, and the sorts of behaviors you will expect in your spouse and offspring. However, such choices are not unlimited; rather, they are constrained by our cultures, traditions, and technologies. Furthermore, our environments set the boundaries within which choices about the production, distribution, and consumption of goods and services are made.

Every society must have an **economic system** in the sense that each group of people must produce, distribute, and consume. Economics deals partly with things—with the tools used to produce goods and the goods themselves. More important, it deals with the relationship of things to people and people to one another in the process of producing, distributing, and consuming goods. Anthropologists are interested in understanding the relationship between the economy and the rest of a culture. One aspect of this relationship is that culture defines or shapes the ends sought by individuals and the means of achieving those ends. Society and economy are interdependent in other ways. The way in which production is organized has consequences for the institution of the family and for the political system. For example, in southern Mali, where most people live by agriculture and where land is abundant, children can help farm when they are very young. Thus, families tend to have as many children as they possibly can. Large families can cultivate more land and therefore are generally wealthier than small families. Their leaders acquire the political power and social prestige that derives from having wealth and numerous relations. >>

Although economists often attempt to do so, it is difficult to separate the economic system from the rest of culture. Economics is embedded in the total social process and cultural pattern. In nonindustrial and kin-based societies, for example, few groups are organized solely for the purpose of production; their economic activities are only one aspect of what they do. Production is carried out by groups such as families, larger kinship groups, or local communities. The distribution, exchange, and consumption of goods is thus embedded in relationships that have social and political purposes as well as economic ones. <<

Economic Behavior

We define **economics** as the study of the ways in which the choices people make as individuals and as members of societies combine to determine how their society uses its scarce resources to produce and distribute goods and services. The academic discipline of economics developed in a Western market economy, and there has been much debate within anthropology over its applicability to other cultures (Isaac 1993).

The idea of scarcity is a fundamental assumption of Western microeconomic theory. Economists assume that human wants are unlimited but the means for achieving them are not. If this is correct, organizations and individuals must make decisions about the best way to apply their limited means to meet their unlimited desires. Economists assume that individuals and organizations will make such choices in the way they believe will provide them with the greatest benefit. Economists call such choices **economizing behavior**.

Some scholars have equated benefit with material well-being and profit (see Dalton 1961). Will a business firm cut down or expand its production? Will it purchase a new machine or hire more laborers? Where will it locate its plant? Will it manufacture shoes or gloves? How much will be spent on advertising its product? Such decisions are assumed to be motivated by an analysis designed to produce the greatest cash profit and are assumed to be rational—that is, based on the desire to maximize profit.

However, the notion of financial profit does not completely explain economic behavior. Consider a choice you may make this evening. After you finish reading this chap-

economic system The norms governing production, distribution, and consumption of goods and services within a society.

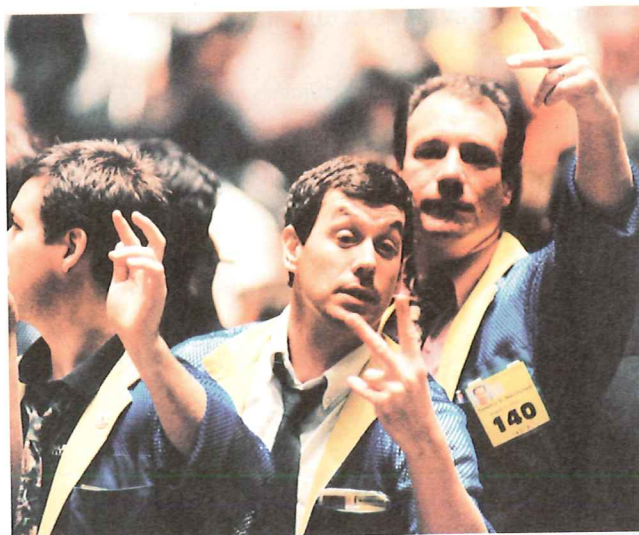
economics The study of the ways in which the choices people make combine to determine how their society uses its scarce resources to produce and distribute goods and services.

economizing behavior Choosing a course of action to maximize perceived benefit.

ter, you may well be confronted with a series of decisions: Should you reread it for better comprehension? Should you study for another course? Call and get a pizza delivered? Play with your kids? Socialize with your friends? Take care of that project for work? Get some sleep? Of course, there are many other possibilities.

You will make your choice based on some calculation of benefit. However, that benefit is not necessarily reducible to financial profit. It is quite possible for you to believe that you would ultimately make more money if you study and get higher grades. However, your choice is set in a context in which money is unlikely to be the most important element of value; we value our friends, our children, our leisure time, and many other things as well. If you choose to socialize instead of hitting the books, your choice is rational because it is based on some calculation of your needs and goals, but it need not lead to greater profit. If we were to predict your behavior on the assumption that you will always act to increase your material well-being, our predictions would often be wrong. We would do better by asking what motivates you.

Just as you might value an evening spent with friends over an “A” in this class, members of other cultures might value family connections, cultural tradition, social prestige, leisure time, or other things over monetary profit. People everywhere make rational choices based on their needs and their guesses about the future. But culture, values, and institutions provide the framework within which these choices are made. For example, Western culture is dominated by capitalism. As a result,



Decisions these stock traders make on the floor are based almost entirely on profit and loss. However, most of the time, our decisions are motivated by other considerations as well. We may prefer relaxation and free time to financial return.

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we place an extremely high value on wealth and material prosperity. For us, it seems “natural” to think that these goals are best achieved through earning money and using this to make purchases through the marketplace. Thus, we are easily (although not exclusively) motivated by money.

On the other hand, some other societies appear to be in business for their health (Sahlins 1972). For example, the Hadza live in an area of Tanzania with an abundance of animal and vegetable food. They have considerable leisure time but make no attempt to use it to increase their wealth. Though they know how to farm, they don’t do it because it would require too much work (Woodburn 1968).

Leisure time is only one of the ends toward which people expend effort. They may also direct their energies toward increasing social status or respect. In Western society, prestige is primarily tied to increased consumption and display of goods and services, but this is not universal. In many societies, prestige is associated with giving goods away. Conspicuous consumers and stingy people become objects of scorn and may be shunned or accused of witchcraft (see Danfulani 1999, Offiong 1983 for examples). The notion that prestige can be gained through giving is also well established in our own society. Universities have buildings bearing the names of their most generous donors, and Bill Gates is not only the CEO of Microsoft, he is also the head of the world’s largest charitable foundation.

To understand the economies of various cultures, anthropologists face two related problems. First, they must analyze the broad institutional and social contexts within which people make decisions, and second, they must determine and evaluate the factors that motivate individual decision making.

One way we can think about any given economic system is to consider a series of fundamental issues that all societies must face. Because all societies must acquire the food and other materials necessary to their lives, all must engage in production. To do so, all societies must acquire resources, such as land and water, and all must have some system through which the rights to use such resources are allocated.

However, resources in and of themselves do nothing. Rather, people must be organized in specific ways to use resources in the production of the goods and services. Thus, each society has some system of organizing their members to use the resources available to them. For example, foragers rely on the plants and animals in their environment. But, foragers never simply gather and eat these randomly. In each group, specific groups of people do specific tasks. Most often, men hunt and women gather. Thus, they are organized to produce. Additionally, people in all societies exchange and consume the products of production. Thus, each society has a system of distribution and in each there are distinct styles and pat-

terns of consumption. In the remainder of this chapter we will explore how different societies tackle the problems of allocating resources, organizing labor, and distributing and consuming the results of production.

Allocating Resources

The things that members of a society need to participate in the economy are called **productive resources**, and access to them is basic to every culture. People everywhere require access to land and water. Access to the knowledge that allows one to make and use tools plays an important role in all societies. There may be additional important forms of knowledge that can be controlled as well, such as the knowledge of healing, or of religious rituals. Access to knowledge plays a critical role in modern American society. This is shown by the strong relationship between university degrees and income. Universities are not the only place to get knowledge (and one gets a lot more from universities than just knowledge). However, it is clear that possession of a university degree and, hopefully the knowledge it implies, has a direct impact on individuals’ economic role in society. According to the U.S. Department of Education, in 2006, Americans between the ages of 25 and 34 with bachelor’s degrees earned 28 percent more than those with associate’s degree and 50 percent more than those with only a high school diploma (Planty et al. 2008).

An important point of contrast between economic systems is the extent to which individuals and groups have access to productive resources. In general, differential access to resources develops as population and social complexity increase. In some societies, most people have access to the resources necessary to survive and fully participate in society. In others, access to these resources may be exclusively or disproportionately invested in particular social groups. Again, examining access to knowledge in the United States is instructive. Only 3 percent of the students at America’s most selective universities come from households in the lowest 25 percent of the income scale; only 10 percent come from the bottom 50 percent (*Economist* 2005). This clearly shows that family wealth plays a critical role in determining access to knowledge and access to such knowledge plays a critical role in future wealth and social position.

Small-scale economies have a limited number of productive resources, and most everyone has access to them. Large-scale societies have a great many more resources, but access to them is limited. This can be seen by com-

productive resources Material goods, natural resources, or information used to create other goods or information.



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In foraging societies people do not consciously raise the productivity of their land, relying instead upon the animal, plant, and insect foods naturally occurring on the land. Here, Hadza men in Tanzania harvest honey from the hollow of a baobab tree.

paring access to resources among foragers, pastoralists, horticulturalists, and agriculturalists.

Foragers

Among foragers, weapons used in hunting animals and tools used in gathering plants as well as the knowledge to make and use these are productive resources. The technology is simple, and tools are made by hand. People take great care to ensure that they have access to the tools necessary for their individual survival. Among the Hadza of Tanzania, men spend much time gambling. However, a man's bow, bird arrows, and leather bag are never shared or gambled, because these items are essential to survival (Woodburn 1998).

Besides knowledge and tools, land and water are the most critical resources for foragers, and many forms of land tenure are found among them. The requirements of a foraging lifestyle generally mean that a group of people must spread out over a large area of land. Hunting grounds are not exclusively owned because flexible boundaries have an adaptive value: ranges can be adjusted as the availability of resources changes in a particular area.

The abundance and predictability of resources also affect territorial boundaries. Where resources are scarce and large areas are needed to support the population, territorial boundaries are not defended. Where resources are more abundant and people move less, groups may be more inclined to defend their territory (Cashdan 1989:42).

The Ju/'hoansi of the Kalahari were typical foragers. Although today most Ju/'hoansi are settled, in earlier times their camps were located near water holes, and the area used by a local group was measured by one day's round-trip walk, about 12 miles. Each camp had a core

area best conceived of as a circle with the water hole at the center and a radius of about 6 miles. Points beyond this were rarely used. Although camps were moved five or six times a year, they were not moved far. Sometimes the move was only a few hundred yards; the farthest move was about 10 or 12 miles (R. Lee 1968). Ju/'hoansi territories were associated with long-standing residents who were spoken of as owners. Although they did not have exclusive rights to the land, their permission had to be asked when others wished to use the land's resources. Such permission was rarely refused, although visitors might be made to feel unwelcome (Cashdan 1989:41).

Hunters and gatherers require freedom of movement not only as a condition of success in their search for food but also as a way of dealing with social conflict. Hunting bands are kept small in order to exploit the environment successfully. In such small groups, conflict must be kept to a minimum. When arguments break out, individuals can move to other groups without fear that they are cutting themselves off from access to vital resources. If land were individually or even communally defended against outsiders, the freedom of movement in hunting societies would be severely limited.

Pastoralists

Among pastoralists, the most critical resources are livestock and land. Access to grassland and water is gained through membership in kin groups. Within pastoralist camps, all members share equal access to pastures. It is this right of access, rather than ownership, that is important.

Animals require a substantial investment in labor. They must be tended and fed. In some cases corals or other structures must be built to house them. When they are ill, they must be cared for. If they are neglected, they do not often survive. Thus, although all members of a pastoral community have access to pasturage, animals themselves are owned by individual families.

In pastoralist societies, animals are kept as wealth in their own right. The prosperity and often the status of a family are determined by the number of animals they own. One result of this is animals are killed only infrequently, often as part of religious celebrations. Instead, pastoralists live off of animal products such as milk and blood. These products as well as the animals themselves may be traded for grain or other goods.

In most places, pastoral tribes are migratory. In mountainous and temperate regions, they spend the summers at high altitude and the winters in lower, warmer pasturage. In highly seasonal tropical climates, they move from dry season pastures to rainy season pastures.

The yearly migrations of pastoral people often traverse the lands of agricultural people. In these cases, accesses to pasturage and migration routes are determined through negotiation with local authorities. Contemporary pastoralists often establish access to land by contracts with

the landowners of villages through which the pastoralists move. These contracts, which must be renewed every year, specify the rent for the pasture, the borders of the area, and the date by which the area must be vacated. However, pastoralism and agriculture are very different lifestyles and conflict between pastoralists and sedentary villagers is not uncommon.

The yak-herding Drokba of northwestern Tibet present an interesting historical example of pastoralism. The Drokba were under the control of large Buddhist monasteries that owned all the grassland in the area. Families were granted rights to use pastures in return for tax payments. Allocation of pastureland was reviewed every third year and altered to fit family herd size and composition. The system worked well because the land could be managed to even out grazing (Barfield 1993:188).



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The Hmong are extensive cultivators. Here men clear land for their gardens.

Horticulturalists

In addition to land, tools, and knowledge, horticulturalists often require storage facilities. In such societies, land tends to be communally owned by an extended kin group, although rights to use a piece of land may be given to households or even individuals. For example, among the Ibo, swidden farmers in Nigeria, no individual owns land or has permanent rights to it. Instead, land is vested in kinship groups and allocated to individuals by leaders of these groups (Acheson 1989). But even the group that has rights to use the land may not dispose of it at will; land is “inalienable” and may not be sold. With this type of land ownership, few people are deprived of access to basic resources because almost every person belongs to a land-holding group within the society.

In societies based on horticulture, the work involved in clearing, cultivating, and maintaining the land is a large investment and is more important than exclusive title to the land. The rights to cleared and productive land and to the products of that land are vested in those who work it, most often the domestic group or household. Because the user of the land may die while the land is still productive, some system of inheritance of use rights is usually provided for.

Among the Lacandon Maya in the highlands of Chiapas in Mexico, for example, individuals may farm any unused piece of land. However, clearing virgin land is very difficult, so individuals retain rights to land they have cleared and are likely to reuse, even if it is not currently in production. People who migrate from the area may lose rights to land they have cleared, but their family retains ownership of any fruit trees that have been planted on it. Should a man die after investing time and labor in clearing and planting land, his wife and children retain rights to use the land (McGee 1990).

Where population densities are low or large areas of land are available for cultivation, rights to land use are very loosely held. For example, among the Machiguenga of Peru, a group with extensive lands, there is little sense of exclusive territory (Johnson 1989:58). But when specific geographical conditions limit the amount of land available, or when population pressures increase, land shortages do occur, as among the Enga in the Papua New Guinea highlands. There, the problem is dealt with primarily by warfare. Most Enga warfare is aimed at driving smaller, weaker groups off their land and annexing it (Johnson 1989:62).

Agriculturalists (Intensive Cultivation)

In more politically and technologically complex societies, agriculture comes to dominate production. In these societies, productive resources take many forms, including complex tools and the technological knowledge required to make them. Ownership of these critical resources may be limited to a small group whose members thereby gain power over others and control their labor.

In some societies, productive resources are continually reinvested in order to generate profit for their owners beyond their subsistence needs. Such resources are referred to as **capital**. Although the use of capital occurs in many different sorts of societies (Berdan 1989), it becomes the principal form of economic organization in capitalist societies (discussed later in this chapter).

capital Productive resources that are used with the primary goal of increasing their owner's financial wealth.



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In complex societies, enormous amounts of labor often are invested in land. This results in high levels of production, and land ownership becomes an important source of wealth and power. This picture shows rice paddies in Yunnan, China.

Under conditions of intensive cultivation, the material and labor investment in land becomes substantial. However, large quantities of food are generated. This food supports not only those who work the land but a large nonagricultural population as well. In many cases, cities and towns develop. Under these circumstances, land becomes a valuable (and limited) resource and individual ownership or control of the land becomes common.

Individual land ownership may grow out of population pressures that produce land scarcity and lead to intensified methods of agriculture. Under these conditions, communal control of land creates conflict as people begin to grumble about not receiving their fair share. Those who have improved the land are unwilling to see the investment of their labor revert to a kin-based pool. This may be particularly true in the case of cash crops such as coffee, which require long-term care and yield harvests over many years. Individuals thus become tied to particular plots of land. In a study of land use and rights in the New Guinea highlands, Brown and Podelefsky (1976) found that individual ownership of land was correlated with high population density and intensive cultivation.

Private or family ownership of rigidly defined fields does not necessarily mean that landowners work their

fields. Instead, fields are usually rented to laborers whose efforts support both themselves and the landowners. For example, a study of a rural village in Bangladesh showed that 48 percent of families were functionally landless. Their members had to rent land from large landowners or work for others (Michael Harris 1991:151–155). Under conditions such as these, a peasantry emerges. Peasants are agriculturalists who are integrated into large state-level societies (see Chapter 6). Part of what peasants produce is taken by a ruling class in the form of rents and taxes. In some cases, peasants may hold land by usufruct right. In this case, an individual or family has the right to use a piece of land and, in most cases, may pass this right to descendants, although the land cannot be sold or traded. However, in most places the peasants' access to land is contingent on payment of rents. Such peasants can be dispossessed if they fail to pay rent or if the landowner finds a more profitable use for their land.

In societies with peasantries, landowners rather than cultivators are able to claim most of the surplus. Landowners enjoy higher levels of consumption and standards of living based on rents and services they receive from the peasants. Landowners use these surpluses to command the services of craft workers, servants, and sometimes armed forces. Agriculture therefore tends to be associated with a political organization characterized by a ruling landowning class and with occupational specialization.

Most current-day societies rely on agriculture but, as we saw in the previous chapter, in many of them only a minuscule percentage of the population are involved in farming. Therefore, access to productive land is not important for most people. In wealthy nations, most people earn their livelihood by working for wages for businesses and other organizations that provide goods and services. These are usually organized as capitalist enterprises.

Organizing Labor

In small-scale preindustrial and peasant economies, the household or some extended kin group is the basic unit of production and of consumption (B. White 1980). The **household** is an economic unit—a group of people united by kinship or other links who share a residence and organize production, consumption, and distribution of goods among themselves. A household is different from a family because it may include lodgers, servants, and others who are not counted as family members. Household members use most of the goods they produce themselves.

household A group of people united by kinship or other links who share a residence and organize production, consumption, and distribution among themselves.



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© Jim Olive/Pictor/Imagestate

Sex-role specialization in craft activities varies cross-culturally. In Ghana, men do the weaving, but in the Navajo nation, weaving is a woman's task.

Households and kin groups do seek financial gain but this is not their primary purpose. Their goals are often social or religious rather than monetary. Labor is not a commodity bought and sold in the market; rather, it is an important aspect of membership in a social group. The labor that people both perform and receive situates them with respect to others in their family and gives them both a sense of identity and meaning.

The gendered division of labor is a good example of the relationship between work and identity. In all human societies, some tasks are considered appropriate for women and others appropriate for men. At some level, the sexual division of labor is biological because only women can bear and nurse children. Thus, caring for infants is almost always primarily a female role and usually central to female identity (see Nielsen 1990:147–168). Beyond this, there are few jobs that are universally identified as male or female work. However, in almost all societies some sorts of work are considered proper only for men and others proper only for women. And these jobs are important elements of male or female identity. For example, in Aztec Mexico weaving was basic to female identity. Newborn girls were presented with tools for weaving, and weaving equipment was placed with women when they died (Brumfiel 1991, 2006:866). On the other hand, in most West African societies, weaving is considered a male task, part of male identity.

In Western society, work also has very important social implications. Of course people work to put food on their table and a roof over their head. But, as anthropologist Pamela Crespín notes, in our society an individual's self-image and social status is bound up with work. Job-

lessness or the inability to earn a living wage diminishes an adult's identity and status (2005:20). This is a particularly important issue in a nation such as the United States, where, in May 2009, the government reported that 14.5 million people, 9.4 percent of the workforce, were unemployed (Bureau of Labor Statistics 2009).

Economic organization by household can be contrasted with organization by firm. A **firm** is an institution composed of kin and/or non-kin that is organized primarily for financial gain. Individuals are usually tied to firms through the sale of their labor for wages. Labor is thus a commodity, bought and sold on the market. A firm does not produce goods for the use of its members; the items it produces are sold for profit.

In economies where households are the units of production, there can be little economic growth. Households cannot easily expand or contract as the economy fluctuates. They cannot easily fire their members or acquire new ones. Thus, large-scale production and distribution systems tend not to develop under such conditions. Firms, on the other hand, are geared toward economic growth. Their decision making is motivated primarily by financial gain. Their goal is to find the mix of capital and labor that will most increase the firm's financial value to its owners. This usually means that firms wish to increase their size indefinitely.

firm An institution composed of kin and/or non-kin that is organized primarily for financial gain.



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Traditionally, Indian society is organized into occupational castes and these are arranged hierarchically. Here, Dhobi, members of the washerman caste, ply their trade in Mumbai. The dhobi's low rank in the caste hierarchy is linked to their handling of materials contaminated by unclean matter.

Households and firms are not mutually exclusive. In fact, economists often model society in terms of firms and households. Firms, even very large ones, may be controlled by a single family or a small group of families. Further, firms often use the vocabulary of family and team to promote their goals. As Casey (1999:156) notes, firms from supermarket chains to hospitals and airlines promote themselves as communities, inviting employees and customers to “come join our family.” Thus economic relationships between employers and employee or firm and customer are partially disguised by ideas about social relationships within a family or household.

Specialization in Complex Societies

Among hunter-gatherers and most horticulturalists, all adult men and women are actively engaged in the quest for food. Technologies are simple and do not require skills beyond those that can be learned through informal socialization. The few specialists (for example, religious practitioners) are usually also engaged in food and tool production. The characteristic division of labor is not by job but by age and sex.

The division of labor in society becomes more specialized and complex as the population increases and agricultural production intensifies. This is particularly the case where a society is dependent on grain agricul-

ture. Grains are hard, durable, and storable. Landlords and rulers who are able to control them have access to wealth and power in new and important ways and can support many people. Occupational specialization spreads through society as individuals are able to exchange their services or the products they produce for food and wealth. Specialists are likely to include soldiers, government officials, and members of the priesthood as well as artisans, craftsmen, and merchants.

Traditional areas of contemporary India provide an excellent example of occupational specialization. There, only people belonging to particular hereditary kinship groups can perform certain services or produce certain kinds of goods. Literally thousands of specialized activities—washing clothes, drumming at festivals, presiding over religious ceremonies, making pots, painting pictures—are traditionally performed by specific named hereditary groups called castes (see Chapter 12, “Stratification,” page 282).

Much of the world's population today lives in industrial or postindustrial societies and almost everyone is a specialist of one kind or another. A quick glance at the Yellow Pages of the phone book of a major American city gives a good indication of the degree of specialization in American society. Each entry represents at least one specialty.

Industrialism and the high degree of specialization it requires have produced unprecedented material wealth. There is no doubt that more people today have more access to more goods and services than ever before in the history of humanity. However, specialization can also take a large physical and emotional toll on members of a society. Since the beginnings of the Industrial Age, many factory jobs involved repetitious and mind-numbing labor often performed under hazardous conditions. In the American automobile plants of the early 20th century, for example, almost all skilled tasks were mechanized. Workers simply inserted pieces into machines, turned a switch, and waited until the machine completed its task. The machinery determined the pace of work and the tasks performed. In the 1920s one worker summed it up simply, saying: “The machine is my boss” (in Meyer, 2004).

Factory labor often led to new notions of identity. For example, in the 19th century, many American workers associated masculinity with skilled labor, independence, and decision-making power at work. On the assembly lines in early 20th century America, labor was boring and monotonous and workers had little decision-making ability. Companies such as Ford Motors, through public speeches, company policies, and employment

practices sought to redefine masculinity, associating it with “working hard—in the company of other men, on a useful product, and being paid well for it” (Lewchuk 1993:852) rather than skill and independence.

Distribution: Systems of Exchange and Consumption

In all societies, goods and services are exchanged. In fact, some anthropologists have long held that the exchange of goods is one of the fundamental bases of culture. The great French anthropologist Marcel Mauss (1924/1990) theorized that societies were held together by patterns of giving and receiving. He pointed out that because gifts invariably must be repaid, we are obligated to each other through exchange. And in many situations, as with the potlatch and the Kula ring described later in the chapter, it is better to give than to receive.

There are three main patterns of exchange: reciprocity, redistribution, and the market. Although more than one kind of exchange system exists in most societies, each system is predominantly associated with a certain kind of political and social organization (Polyani 1944). Let us look first at reciprocity.

Reciprocity

The mutual give-and-take of goods and services among people of similar status is known as **reciprocity**. Three types of reciprocity can be distinguished from one another by the degree of social distance between the exchanging partners (Sahlins 1972).

Generalized Reciprocity Generalized reciprocity is usually carried out among close kin and is common in foraging bands. In this case, reciprocity carries a high moral obligation. **Generalized reciprocity** involves a distribution of goods in which no overt account is kept of what is given and no immediate or specific return is expected. Such transactions are ideally altruistic—that is, without any thought of economic or other self-interest. In Western society, we are familiar with generalized reciprocity as it exists between parents and children. Parents constantly give things and provide services to their children out of love or a sense of responsibility. What would we think of a parent who kept an account of what a child “cost” and then expected the child to repay this amount? What parents usually expect is some gratitude, love, respect, and the child’s happiness.

Generalized reciprocity involving food is an important social mechanism among foraging peoples. In these societies, a hunter or group of hunters distributes meat among the kin group or camp. Each person or family gets either an equal share or a share dependent on its kinship

relationship to the hunter. Robert Dentan (1979:48) describes this system among the Semai of Malaysia:

After several days of fruitless hunting, a Semai man kills a large pig. He lugs it back to the settlement. Everyone gathers around. Two other men meticulously divide the pig into portions sufficient to feed two adults each (children are not supposed to eat pork). As nearly as possible, each portion contains exactly the same amount of meat, fat, liver, and innards as every other portion. The adult men take the leaf-wrapped portions home to redistribute them among the members of the house group.

Similar systems are used by the Ju/hoansi of the Kalahari and the Inuit (see Figure 7.1). A North American might wonder, What does the hunter get out of it? Aren’t some people always in the position of providing and others always receiving? Part of the answer is simply practical. Some of the animals hunted are very large and a single family would most likely be unable to consume or preserve all the meat before it rots. However, hunters have several other motivations for sharing. Hunters gain satisfaction from accomplishing a highly skilled and difficult task (Woodburn 1998). However, they receive other rewards as well. Although not all people in foraging societies give and receive equally, all are obligated to both give and receive. Gifted hunters may give more than they receive, but the gifts they do receive may be critical for their survival. Further, in some cases hunters derive a degree of status from the process of food distribution. For example, among the Patac Nova, a horticultural group in Brazil, distributing meat gives a man prestige and an opportunity to display the culture’s most valued trait, generosity. At the same time, it builds his credit for future reciprocity (von Graeve 1989:66). In small societies, where the good opinion of others is necessary for survival, the desire not to be thought stingy is a strong motivation to share and to do one’s share.

Balanced Reciprocity Balanced reciprocity involves a clear obligation to return, within a specified time limit, goods of nearly equal value to those given. **Balanced reciprocity** is often the dominant form of exchange among nonindustrialized peoples without market economies. However, it occurs among individuals and groups characterized by production strategies from pastoralism to industrialism. The goal of balanced reciprocity is not to

reciprocity A mutual give and take among people of equal status.

generalized reciprocity Giving and receiving goods with no immediate or specific return expected.

balanced reciprocity The giving and receiving of goods of nearly equal value with a clear obligation of a return gift within a specified time limit.

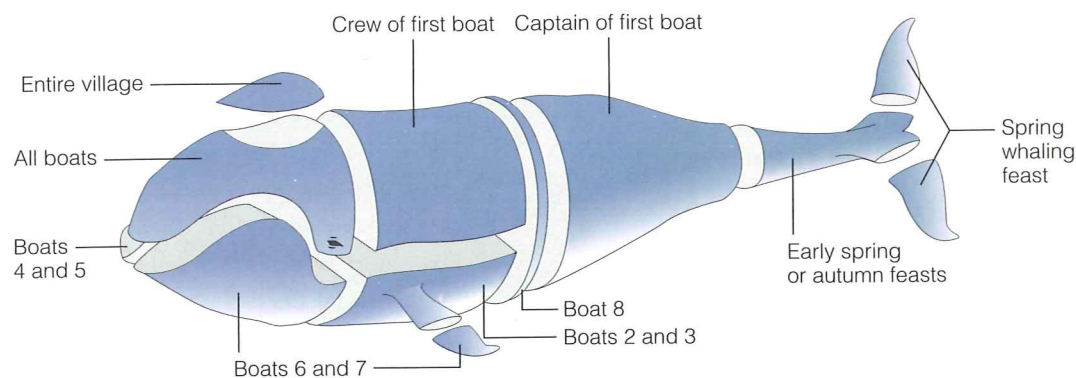


FIGURE 7.1 Generalized Reciprocity. Hunting of whales by the Inuit involves 10 to 15 boats standing by. The first eight boats to reach and harpoon the whale receive stipulated portions of the meat. The captain of each boat gets his traditional part of the body, and he shares his meat with his crew. The captain of the first boat gives the shaman a narrow strip cut from the belly between the eighth boat's strip and the genitals. The top of the head is cut up and eaten at once by everyone in the village. Portions of the tail are saved for feasting in the spring and autumn. Source: Carleton S. Coon, *The Hunting Peoples* (Boston: Little, Brown, 1971, pp. 124–125). By permission of the estate of Carleton S. Coon.

gain advantage over the gifting partner by giving the least valuable gift possible and trying to receive the most valuable return gift. Rather, partners in balanced reciprocity hope to gain access to valued goods and services while at the same time strengthening social relationships between giver and receiver.

The social obligation to give, accept, and return is at the heart of balanced reciprocity. A refusal to receive or a failure to reciprocate a gift is taken as a withdrawal from a social relationship. A gift that is accepted puts the receiver under an obligation to the giver, and if the social relationship is to continue, a return gift must be given. Sometimes, a return gift may be given immediately. In some marriages, friendship compacts, and peace agreements, people may give each other exactly the same types and quantities of goods (Sahlins 1972:194). For example, 100 yams may be exchanged for 100 yams. More often, the payoff is not immediate. In fact, sometimes an attempt to reciprocate the gift immediately is an indication of unwillingness to be obligated and shows that a trusting social relationship is neither present nor desired (Mauss 1924/1990).

In the United States, we participate in balanced reciprocity when we give gifts at weddings or birthdays, exchange invitations, or buy a round of drinks for friends. The economic aspect of these exchanges is repressed; we say it is the spirit of the gift and the social relationship between the givers that is important. However, we also know that accepting a gift involves the obligation to return a gift of approximately the same value. The individual who fails to return the gift, or returns a gift that is

disproportionally large or small, is unlikely to remain our friend for very long.

Balanced reciprocity is most typical of trading relations among nonindustrialized peoples without market economies. Such trade is frequently carried out over long distances and between different tribes or villages. It is often in the hands of trading partners: men or women who have a long-standing and personalized relationship with each other. Trading partners know each other's personalities, histories, and other aspects of their social lives. Plattner (1989a) notes that the greater the risk of economic loss, betrayal of confidence, or unfair dealing the more important such personalized relations are.

The Kula Ring Bronislaw Malinowski's (1984/1922) analysis of the **Kula ring** is one of the most famous anthropological studies of reciprocal trading. The Kula is an extensive system of intertribal trade among a ring of islands off New Guinea (today part of the nation of Papua New Guinea; see Figure 7.2). Among these are the Trobriand Islands where Malinowski did his fieldwork.

Although many kinds of goods are actually traded, Malinowski focused his study on two goods: *mwali* and *soulava*. *Soulava* are long necklaces of red shell, and are always traded in a clockwise direction. *Mwali*, bracelets of white shell, are always traded in the opposite direction. Malinowski wrote that the Trobrianders talked about and thought about the Kula trade in terms of these valuables.

On most islands, all men participate in the Kula and some women are allowed to Kula as well (Macintyre 1983; Scoditti and Leach 1983; Weiner 1976). On the Trobriands, however, only high-ranking men can take part. The exchange of *mwali* and *soulava* is carried out between specific individuals and such partnerships are lifelong affairs, their details fixed by tradition. Although

Kula ring A pattern of exchange among trading partners in the South Pacific islands.

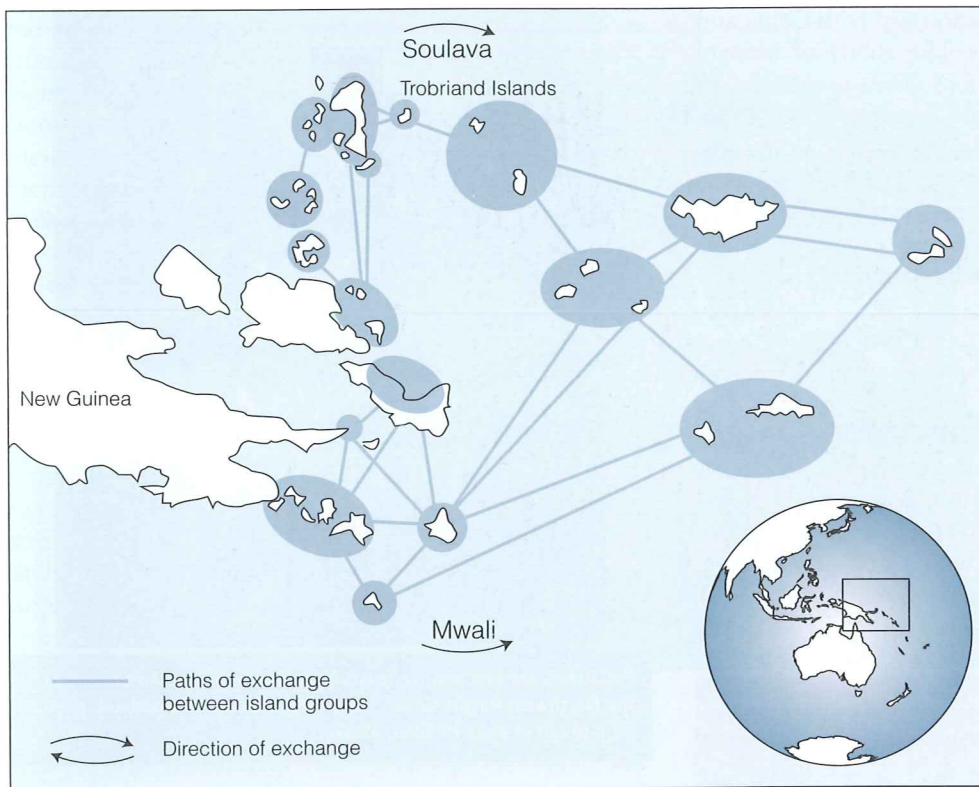


FIGURE 7.2 The Kula trade is an example of reciprocity. Necklaces (*soulava*) and armbands (*mwali*) are traded among these islands off the coast of Papua New Guinea. *Soulava* move clockwise while *mwali* move counterclockwise.

Kula items can be permanently owned and may be taken out of circulation (Weiner 1976), people generally hold them for a while and then pass them on.

On one level, the Kula is simply an exchange of goods. However, Malinowski demonstrated that the trade is infused with a great many cultural norms and values related to Trobriand life. It has complex cultural, social, and psychological meanings for its participants. Kinship and political structure, magic, prestige, economy, technology, myth, ritual, feasting, and especially friendship and alliance all come together in the Kula.

Other authors (Damon 1983; Fortune 1932; Munn 1983) emphasize that although *mwali* and *soulava* are the most prestigious items traded, many utilitarian items change hands as well. Canoes, axe blades, pottery, pigs, and other items are exchanged along with armbands and necklaces as part of the Kula. These objects are often unavailable in the district in which they are given. The Kula, like other ritual trading partnership and feasts, allows groups to specialize in different aspects of production. This leads to an increase in both the amount of food and the quantity and quality of craft production within the region (Spielmann 2002).

In addition to promoting economic intensification, both the Kula trade itself and the preparations for it reinforce ties among participants and help ensure that relations among trading partners are relatively friendly. This is important because there is no formal government incorporating the different groups that take active roles in the Kula.

Thus, the system of balanced reciprocity found in the Kula trade contributes to the integration of Trobriand society as well as the maintenance of economic and social relations among all its participants.

Negative Reciprocity Negative reciprocity is the unso- ciable extreme in exchange. **Negative reciprocity** happens when trade is conducted for the purpose of material advantage and is based on the desire to get something for nothing (gambling, theft, cheating) or to get the better of a bargain (haggling). Negative reciprocity is characteristic of both impersonal and unfriendly transactions.

Tribal and peasant societies often distinguish between the insider, whom it is morally wrong to cheat, and the outsider, from whom every advantage may be gained. Anthropologist Clyde Kluckhohn, who studied the Navajo in the 1940s and 1950s, reported that their rules for interaction vary with the situation; to deceive when trading with outsiders is a morally accepted practice. Even witchcraft techniques are considered permissible in trading with members of foreign tribes (1959).

Another good example of negative reciprocity is the historic relationship between traditional dynastic China and the nomadic empires of Mongolia. For more than a thousand years, the nomadic tribes of Mongolia organized

negative reciprocity Exchange conducted for the purpose of material advantage and the desire to get something for nothing.

into empires to manage their relationship with China and gain access to its vast resources. The ability of Mongol empires to benefit their constituent tribes was based on their capacity to extract wealth and resources from China. They did this by following a policy of violent raiding and forcing the Chinese government to make tribute payments. Because the nomads were highly mobile, war against them was prohibitively expensive, and the Chinese were repeatedly forced to buy peace from the nomads. The threat of violence lay under the surface of all interactions between the two groups (Barfield 1993:150–155).

Negative reciprocity may be characteristic of certain types of transactions in market economies as well. The e-mail scam artist offering to deposit millions in your bank account, if you will only provide your account number and other personal information, is engaged in negative reciprocity as is the Wall Street manager who offers high returns on investment but who actually steals your money. The issue of honesty in market transactions is further explored later in the chapter within the “Market Exchange” section.

Redistribution

In **redistribution**, goods are collected from or contributed by members of a group and then given out to the group in a new pattern. Redistribution thus involves a social center to which goods are brought and from which they are distributed. Redistribution occurs in many different contexts. In household food sharing, pooled resources are reallocated among family members. In state societies, redistribution is achieved through taxation.

Redistribution can be especially important in horticultural societies where political organization includes bigmen, self-made leaders who gain power and authority through personal achievement. Such individuals collect goods and food from their supporters. Often these items are redistributed back in communal feasts that the bigman sponsors to sustain his political power and raise his prestige. Redistribution also occurred in some chiefdoms. In these cases, however, a distinct hierarchy was involved. Chiefs collected goods and staple foods from many communities to support their households and attendants as well as finance large public feasts that helped solidify their power (Earle 1987) (see also Chapter 11, page 247).

The Potlatch A good example of redistribution is **potlatch** feasting among Native American groups of the Pacific Northwest including the Kwakiutl and Tlingit is. In these

redistribution Exchange in which goods are collected then distributed to members of a group.

potlatch A form of redistribution involving competitive feasting practiced among Northwest Coast Native Americans.



Alaska State Library Ebridge W. Merrill Photograph Collection No. P57-021

Potlatches are competitive feasts held among Native Americans of the Northwest Pacific Coast. Here Tlingit Chiefs at a potlatch pose for a photo in 1904 in Sitka, Alaska.

groups, potlatches were held to honor and to validate the rank of chiefs and other notables, usually in connection with births, deaths, and marriages (Rosman and Rubel 1971). A leader holding a potlatch called on his followers to supply food and other goods to be consumed and distributed during a feast to which he invited group members and rivals. The number of guests present and the amount of goods given away or destroyed revealed the wealth and prestige of the host chief. At a potlatch, the host publicly traced his line of descent and claimed the right to certain titles and privileges. Each of these claims was accompanied by the giving away, and sometimes the destruction, of large quantities of food as well as goods such as blankets and carved wooden boxes. As these were given or destroyed, the individual and his supporters boasted of their wealth and power. In the early 20th century, Franz Boas collected speeches given at potlatches, such as:

I am Yaqatlentlis. . . I am Great Inviter. . . Therefore I feel like laughing at what the lower chiefs say, for they try in vain to down me by talking against my name. Who approaches what was done by my ancestors, the chiefs? Therefore I am known by all the tribes over all the world. Only the chief my ancestor gave away property in a great feast, and all the rest can only try to imitate me. . . (in Benedict 1934:191).

The feasting and gifts given at a potlatch demonstrated the host's right to the titles and rights he claimed

and created prestige for him and his followers. Guests either acknowledged the host's claims or refuted them by staging an even larger potlatch. Thus potlatching involved friendship but also competition and rivalry.

From an economic perspective, the drive for prestige engendered by the potlatch encouraged people to produce more than they would otherwise. This increased the amount of work they did but also the amount of food and goods they produced and consumed. Because this wealth was given to people who traveled substantial distances to come to a potlatch, it was distributed to a fairly large population and ecological area.

In the late 19th and early 20th centuries, Canadian government authorities saw the potlatch as a waste of resources and evidence of native irrationality. They believed that investment was the key to economic success and, to them, the potlatch focus on consumption and destruction of goods was both disturbing and wasteful. As a result, potlatching was outlawed between 1884 and 1951 (Bracken 1997). Since then, the potlatch has been revived but primarily as a symbol of tribal identity rather than a major element in tribal economy. Simeone (1995) and Stearns (1975), for example, report that the Tanacross and Haida people consider the potlatch a central symbol of cooperation and respect that separates native from non-native peoples.

Although the term "potlatch" refers specifically to the feasting of Northwest Coast people, Rosman and Rubel (1971:xii) report that rivalrous, competitive feasting is found among many peoples. It is common, for example, throughout the Pacific Islands. We may even see some elements of it in our own society. There may be competition within families or with communities to throw the largest and most elaborate holiday parties, weddings, or coming-of-age celebrations (such as confirmation, bar or bat mitzvah, or quinceañera). In all of these cases, the prestige that accrues to the people who give the party is a critical factor. This reminds us that there is much more to giving a gift than simply trying to determine what another person desires.

Leveling Mechanisms Redistribution may either increase or decrease the inequality of wealth within a society. **Leveling mechanisms** are practices, values, or forms of social organization that result in evening out the distribution of wealth.

Leveling mechanisms force accumulated resources or capital to be used in ways that reduce economic differ-



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Cargo Leaders in Tenejapa, Mexico. These individuals have taken offices that require them to provide food, alcohol, and other goods during religious celebrations throughout the year.

ences. They ensure that social goals are considered along with economic ones. Leveling mechanisms take many different forms. For example, if an economy is based around redistribution, and generosity is the basis of prestige, those who desire power and prestige will distribute as much wealth as they receive. We generally associate power and prestige with the accumulation of material wealth. However, in societies based around redistribution, the powerful give much of what they have in exchange for prestige. The potlatch described earlier is a good example of this. The Moka, a type of large feast in Highland Papua New Guinea, is another. There, men who wish to gain prestige prepare for many years for these events, accumulating wealth including pigs, shells, cassowary, and in the modern world, money and manufactured goods. At the feast, all of this wealth is given away, distributed to those who attend.

Manning Nash (1967) describes a number of leveling mechanisms that operate in the village of Amatenango, in the Chiapas district of Mexico. One is the organization of production by households. As mentioned earlier, economic expansion and accumulation of wealth are limited where households, rather than business firms, are the productive units. A second factor in Amatenango is inheritance: all a man's children share equally in his estate. This makes it difficult for large estates to persist over

leveling mechanism A practice, value, or form of social organization that evens out wealth within a society.

generations. Accusations of witchcraft are a third leveling mechanism. Should anyone in Amatenango manage to accumulate more than his or her neighbors, members of other families are likely to accuse him or her of witchcraft. A man who is thought to be a witch is likely to be killed. Witchcraft accusations are most often leveled at those who are rich but not generous.

Finally, Amatenango and many other villages have cargo systems. In a **cargo system**, every year a number of different cargos, or religious offices, must be assumed by men in the village. Assuming such a cargo is an expensive proposition. The officeholder cannot work full time, and the obligations of the cargo involve substantial purchases and donations, which take up some of a family's extra resources. A man must serve in 12 such cargos before he can retire from public life, so the cost continues throughout adulthood. In addition to these 12 offices, there is the *alferez*, a ritual position filled by a younger man. One of the requirements of this office is sponsoring a community feast, which involves paying for the food and liquor and renting costumes. Men are selected for the cargos and the office of *alferez* by their ability to pay. Thus, the cargo system is a way of forcing the most prosperous households of the village to redistribute some of their wealth.

Community obligations such as a system of expensive religious offices may help to limit the economic gap between the relatively rich and the poor, but they do not eliminate it. In fact, they may help to preserve it. Men who take cargos gain in prestige, differentiating themselves from the poor of the village. Increased prestige often leads to increased wealth. Cancian (1989) showed that in Zinacantan, which has a system of cargos or religious offices similar to that of Amatenango, men who took on cargos remained rich throughout their lives, whereas poor families incapable of filling such offices remained poor. Thus, although it does redistribute some of the wealth in the community, the cargo system in Mexican villages may serve to reinforce economic differences among families rather than equalize them (Cancian 1989:147).

Market Exchange

Today, **market exchange** is the principal distribution mechanism in most of the world's societies. Goods and services are bought and sold at a money price determined,

cargo system A ritual system common in Central and South America in which wealthy people are required to hold a series of costly ceremonial offices.

market exchange An economic system in which goods and services are bought and sold at a money price determined primarily by the forces of supply and demand.

at least in theory, by impersonal market forces. Unlike reciprocity and redistribution in which the social and political roles of those who exchange are important, in principle a market exchange is impersonal and occurs without regard to the social position of the participants.

The market involves a series of cultural and moral assumptions. For an impersonal market to run smoothly, most participants must believe that they will usually be treated fairly by people they do not know. People who take advantage of anonymity to enrich themselves at others' expense spoil the market and must be punished.

Of course, the ideal of fair and impersonal exchange is just that, an ideal. Real markets are full of conflicts, inequities, and outright cheats. In our own society there are clearly areas of commerce where people anticipate a certain amount of deceit. For example, merchants of used goods, particularly cars and machinery, often have reputations for shady practice. The continued importance of social connections among market participants is well illustrated by electronic marketplaces such as Ebay where buyers and sellers come close to true anonymity. In these cases, a sophisticated system of ratings simulates social connections and knowledge. This gives trading partners a degree of certainty that the terms of trade will be fair. But Ebay participants know that the fewer and worse the ratings of their trading partners, the greater the risk for a hostile exchange. The phrase *caveat emptor*, or "let the buyer beware," neatly captures the notion that the rules of even trade are not always in force.

In principle, the primary factors that set prices and wages in a market are related to supply and demand; also, individuals participate freely in a market, choosing what they buy and sell. However, there are many cases in which these principles do not pertain. In some cases, wealthy and powerful individuals, organizations, and in-



The ideal market is fair and impersonal but the phrase "buyer beware" captures the notion that the rules of fair and even trade are not always in force. Here, Danny DeVito plays a dishonest used car dealer in the 1996 film *Matilda*.

dustries fix prices or wages, forcing people into wage labor or the market at disadvantageous terms. In other cases, cultural ideas about the proper or “just price” of a good or service are more important than supply and demand. Sometimes, governments control or influence the prices of commodities such as grain, setting them either high (to encourage farmers) or low (to feed often rebellious city dwellers cheaply).

Although markets are present in most societies, the goods and services traded in them vary greatly. As we have seen, in many societies people gain access to land, labor, and some goods through ties of kinship or obligations of reciprocity and redistribution. In such places, markets, if they exist at all, are limited to a small number of goods. In theory, in a society dominated by the market everything may be bought and sold. In practice, however, all societies limit what may be purchased legally. We live in a market-dominated society, but for moral, social, and political reasons, governments limit trade in certain goods and regulate trade in others. For example, there are restrictions on the sale of drugs, guns, children, and college degrees.

Capitalism

In the past 300 years, capitalism has become the world’s predominant economic system. Capitalism expanded from northern Europe, North America, and Japan, and has transformed economies worldwide, connecting them in a complex integrated international economy (Wallerstein 1995). In Chapter 15 we describe this historic process, and in Chapter 16 we examine and analyze the problems and promises of the global economy. Here we focus on describing capitalism and pointing out some of its most salient features.

Capitalist economies are based on the principle that consumption must constantly be expanded and that material standards of living must always go up. This pattern contrasts with tribal economies, which put various limits on consumption and thus are able to make lighter demands on their environments.

In noncapitalist societies, most people produce goods to consume them, to trade them for other goods, or to pay rents and taxes. In capitalist societies, firms produce goods as a means to create wealth. For example, General Motors is not really in business to make cars. General Motors is in business to increase the wealth of its shareholders. Manufacturing automobiles is one (but only one) of the ways it tries to achieve that end. GM is also heavily involved in banking and was historically involved in aviation, military contracting, and the production of consumer products such as refrigerators.

General Motors June 2009 bankruptcy filing shows that such attempts to make profit through diversification



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Productive resources become capital when they are invested in ways intended to increase their owner’s financial wealth, as for this farmer in Bali.

are not always successful. Capitalist firms that fail to make profits are soon dissolved or altered regardless of the products they make.

Productive resources become capital when they are used with the primary goal of increasing their owner’s financial wealth. In capitalism, this becomes the most common (though not the only) use of such resources. **Capitalism** is further characterized by three fundamental attributes. First, most productive resources are owned by a small portion of the population. Banks, corporations, and wealthy individuals own the vast majority of farms, factories, and business of all kinds. Although many Americans invest in business through ownership of stocks, mutual funds, and retirement plans, ownership of substantial wealth is highly concentrated. For example, in the United States, in 2002 almost half of all households owned some stocks or mutual funds (and thus owned some share of a business). However, the median value of these investments was \$50,000. Fewer than 4 percent of American households had stocks and mutual funds valued at more than half a million dollars (Investment Company Institute 2005). Thus, while a great many people held some ownership of business, the vast majority was held by a comparatively few.

capitalism An economic system in which people work for wages, land and capital goods are privately owned, and capital is invested for profit.

Anthropology Makes a Difference

Anthropologists in the Corporate World

Sooner or later, most people who decide to study anthropology have to answer questions from friends and family members who say things like “Anthropology? What are you going to do with that?” There are many good answers to this question. Perhaps the best is to remind them that anthropology is a liberal art. It’s a way of learning, analyzing, and thinking about actions in the world. These are skills that are applicable to jobs ranging from entrepreneurship to social service. Surveys show that the jobs that anthropology majors actually get are very similar to those for people who study history, philosophy, English, psychology, sociology, and other liberal arts subjects.

Despite this, you may be interested to know that over the past quarter century, professional anthropologists are increasingly in demand by both large and small corporations. Anthropologists have become popular because, while focus groups and opinion surveys explore what people say,

anthropologists using participant-observation focus on what people actually do.

Anthropologist Francisco Aguilera has been consulting with business for more than 25 years. He notes that anthropological research is particularly useful in the modern corporate context. Whereas old-style corporations thought of themselves as fixed organizations with rigid boundaries, the new emphasis is on open production groups and an extension of networks across the organization’s boundaries to embrace customers, suppliers, and competitors in partnerships, alliances, and service delivery. In this situation, decision making based on ethnographic description and comparison is essential.

Aguilera says that although other social science disciplines can and do offer consulting to businesses, anthropologists have some unique gifts to bring to the table. First, culture is the mainstay of anthropology, and anthropologists have better ways of talking about it than members of other

disciplines. Second, anthropologists understand that boundaries are artificial, so they seek to understand the entire environment of the business and its employees. Finally, because of the participant-observer methodology of ethnography and the multilevel analysis that makes sense of ethnographic data, anthropologists are more likely to comprehend the fuller meaning of informants’ reports than are practitioners of those disciplines that rely heavily on other forms of data collection and analysis.

In addition to consulting for businesses, many anthropologists have gone on to found businesses or work directly for them. Major corporations such as Intel, Motorola, Ford, General Motors, Nissan, Procter & Gamble, Hewlett-Packard, Xerox, and many others hire anthropologists to analyze their own organizations and do market research designed to tailor their products, services, and publicity to the public.

Eleanor Wynn is an anthropologist who works as a principal engineer for informa-

The second attribute of capitalism is that most individuals’ primary resource is their labor. In order to survive, people sell their labor for a salary or an hourly wage. Most Americans, for example, work for large or small corporations that they do not own, or they are employed by government.

The third attribute is that the value of workers’ contribution to production is always intended to be greater than the wages they receive. The difference between these two is the profit that accrues to those who own the productive resources, generally the shareholders of a corporation (Plattner 1989b:382–384). The extremely high wages of some professional athletes and entertainers provide a good illustration of this principle. For example, basketball player Shaquille O’Neal earned more than \$27 million playing for the Miami Heat in the 2004–2005 season. For the team owners, his high salary was easily justified. They believed that his presence would enable them to earn substantially more than they paid him. This proved a good guess. Mickey Arison bought The Heat for \$65 million in 1995. In December 2008, the team’s value was estimated at \$393 million (*Forbes* 2008). Since a

good deal of this appreciation was due to O’Neal’s skill and popularity, the value of his labor was substantially greater than the wages he received.

In general, workers wish to receive as close to the full value of their labor as possible while owners wish to pay as small a portion of labor’s value as possible. This frequently results in conflict between the two groups.

Modern capitalist economies are dominated by market exchange, but this does not mean that people always experience their economy in terms of buying and selling at whatever price the market will bear. Capitalism always occurs within the context of other social relationships and some-



tion technology research at Intel Corporation. She holds a Ph.D. from the University of California at Berkeley. She began her industry career working at Xerox's Palo Alto Research Center as a graduate intern. She has worked for Bell Northern Research, a lab for NorTel, and as a freelance consultant, before moving to Intel. In these positions, she used ethnographic techniques to explore the working lives and decision-making processes of employees and customers who might use new technologies. Her reports helped translate the situated logic and experience of workers and customers into a language that corporate executives and work groups could use to make decisions and better design technology products. Such ethnographic research is essential because it allows the researcher to discover the reasoning of the everyday person at work and to understand the things that are part of the job but not in the job description. In many cases Wynn was able to advocate for workers by giving their

voices a legitimacy they otherwise did not possess.

Wynn points out that working for a corporation is a very different task than doing anthropology in an academic setting. Anthropologists working at universities generally do research by themselves and publish their findings under their own names. They generally work on a single project at a time. In a corporate setting, anthropologists work as members of teams. Because of this, the contribution of any single individual to a finished product may be difficult to describe. However, collaborative working allows anthropological input throughout the project process.

Employers often think about work in terms of an individual fulfilling a series of specific discrete tasks. However, one result of thinking about work ethnographically is the realization that this rarely corresponds to an employee's experience. Today, employees in the information industry are likely to be part of multiple working groups

and are likely to be working on numerous tasks simultaneously. Additionally, the dividing line between the world of work and the social world, between work and play, becomes thinner as cell phones and social networking utilities such as Facebook come to play ever larger roles in our lives. For Wynn, ethnography exploration can help corporations understand these changes and design workplace environments and products that increase efficiency and improve lives for workers and customers.

In addition to anthropologists such as Wynn, Intel also employs anthropologists in its "People and Practices" research lab. Their goal is to explore phenomena of everyday life and to help Intel think critically about how people, practices, and institutions matter to technological innovation. You can visit them on the web at <http://techresearch.intel.com/articles/Exploratory/1752.htm>. You can read more about careers in anthropology at the American Anthropological Association, <http://www.aaanet.org/profdev/careers>.

times these provide a mask behind which it can hide. In other words, capitalist relationships are sometimes camouflaged by family ties or social obligations. When this happens, entrepreneurs may be able to extract extra profits. The production of knitted sweaters in Turkey is a good example of this.

Turkey produces many goods and services used in wealthy capitalist nations. Most of the inhabitants of Istanbul, its largest city, are part of a capitalist economy selling their labor in enterprises aimed at generating a profit. However, as Jenny B. White (1994) reports, many of them, particularly women, understand their work in terms of reciprocity and kin obligations rather than capitalism and the market place.

Turkey is a patrilineal and patriarchal society. Turkish women live in complex social networks that are characterized by social obligations and relations of reciprocity. To a great degree, they measure their worth by the work they do for family members. Married women live with their husband's family and are expected to manage the household and to keep their hands busy with knitting and other skilled tasks. Such tasks are not considered work (in the

sense of work outside of the home) but are rather understood as necessary obligations of married life.

Business in Turkey is often patterned on social life and this can be seen clearly in women's piecework. Women produce garments that are sold in the United States and other Western nations. The materials they use are generally supplied to them by an organizer, who also finds a buyer for the finished product. The organizers are often relatives, neighbors, and friends of the women who do the work.

In the Istanbul neighborhood White investigated, almost everyone believed that women should not work for money, yet about two thirds of them are involved in piecework (White 1994:13). How is this contradiction explained? The women who do it see piecework as a way for them to keep their hands busy and thus part of their duty as wives rather than a form of paid labor. Their work forms part of their obligation to their husband's family and to organizers with whom they have social connections, and they consider it a gift of labor. They understand the payments they receive as gifts from someone with whom they have an established social relationship.

Ethnography

West African Traders in New York City

Long-distance trade has a deep history in West Africa. For at least 1000 years, groups of traders have traveled vast distances, across the Sahara and into the Sahel and forest regions of West Africa transporting valuables such as gold, salt, kola nut, cattle, and sometimes slaves. Frequently, this trade was in the hands of members of specific ethnic groups such as the Hausa and the Dioula. Some members of these groups spread through West Africa, settling in towns and villages populated by members of other ethnic groups. Thus, they formed a diaspora of minority communities, differentiated from those around them by ethnicity and by religion as well. Until the past century, most West Africans practiced traditional religions. However, most members of these groups, particularly the merchants and those who lived in the diaspora communities, were Muslims. The diaspora communities and the shared practice of Islam gave merchants from these groups a strong competitive advantage. It meant that wherever they went, merchants could be assured of finding members of their own group who shared their values and their language. Local community members could provide lodging and help the merchants trade with members of the groups among whom they had settled. Frequently,

merchants were also connected to diaspora families through ties of kinship as well. Thus, social relationships of ethnic and religious identity, kinship, and friendship were integral to the merchants' success as well as continued ethnic control of trade (Cohen 1969, Warms 1992).

Beginning in 1965, changes in U.S. immigration law ended the quota system that had been in place since the early 1920s and made greatly increased immigration to the United States possible. Economic and educational opportunities in the United States coincided with instability and unrest in Africa and resulted in increased African immigration to the United States. By 2007, there were 1.4 million immigrants born in Africa living in the United States and more than 90 percent of these had arrived since 1980. African immigrants tended to settle in urban areas, and today over one third of them live in four metropolitan areas: New York City, Washington, D.C., Atlanta, and Minneapolis. African immigrants have been successful in many occupations, including construction and transportation. They have been particularly successful in health-care and social service related jobs (Terrazas 2009). Some have become successful as merchants, selling goods on the streets of American cities, in shops, and at ethnic

festivals. Their practice of trade continues the history of African long-distance trade in new geographic and social contexts.

In *Money Has No Smell* (2002) anthropologist Paul Stoller describes the lives of African merchants in New York City. Among them is Issifi Mayaki. Mayaki was born near Maradi, in Niger in West Africa. His father was a successful merchant who spent most of his time in Abidjan, the capital of Côte d'Ivoire. His grandfather was also a merchant. As a young man, Mayaki followed his father to Abidjan, where he learned about trading by watching his father and his father's associates. In Abidjan he learned to value the ability to speak multiple languages and the importance of connections, not only with his own family but with people from different ethnic and cultural groups as well.

When Mayaki's friends in Abidjan began to send some of their products to the United States he saw new opportunities and with their help, arranged to move to New York. Once there, he shared a hotel room with other Hausa merchants and used his connections with his family and friends in Côte d'Ivoire to gain access to the African cloth he sold. However, Mayaki ran into misfortune when a client refused to pay him for a shipment of goods. As a

Because the women's work is set within a context of global capitalism, work organizers may be friends and neighbors, but they are also capitalist entrepreneurs hoping to make money. In the end, women produce goods for the capitalist marketplace and their wages ultimately derive from that market. However, these capitalist relationships are masked by social relations of balanced or generalized reciprocity with the labor organizer. Because they understand their work in terms of a social obligation, they rarely think about how much they are earning an hour or how they might use their time and talents to make more money. Thus, they are willing to accept far lower wages than might otherwise be the case.

In some ways, the system serves the women well. They are able to fill their roles as wives and in-laws and their social connections with labor organizers may give them some degree of security from the ravages of the

marketplace. This is important in a country like Turkey where most people are poor and social services are few. However, it is clear that the greatest beneficiaries of this system are firms and consumers in wealthy nations. The fact that reciprocity masks capitalism for poor women in Turkey allows rich consumers in Europe and America to buy hand-knitted sweaters at very low prices and the firms based in these nations to make windfall profits.

Although there are probably some individuals who act as capitalists in most monetized economies, societies organized primarily by capitalism are a late development in the history of humankind. Such societies were not a natural and inevitable outcome of economic evolution. Rather they owed their origin to the specific conditions of the industrial revolution in Europe in the 18th and 19th centuries and have become increasingly prevalent in the world in the past 150 years.

result, he was unable to pay his own debts. In a system based on trust, this was a critical blow. However, Mayaki was able to reestablish himself with the help of other Hausa merchants living in New York, some of whom he had known in Abidjan as well. These provided him with a new place to live, introductions to some Asian businessmen who sold cassettes, and cash loans that enabled him to buy inventory. With their help, Mayaki was able to establish himself as a successful merchant again. As soon as he had sufficient capital, he returned to selling African cloth, which was both more profitable and aesthetically more pleasing to him. With old connections from Abidjan and his new connections from New York, he was able to gain access to a wide range of products, from antique West African cloth to machine-made reproductions of Ghanaian Kente cloth from Tunisia. Mayaki maintains close connections with his family in Africa, sending money to his family in Niger and helping with his father's medical expenses in Côte d'Ivoire.

This description hints at the extensive and varied global connections of West African traders in New York City. Some of these connections between the West African traders and their Asian middlemen are rela-

tively recent, and specific to the street trading milieu of New York City. But many of them repeat the style of historic connections among African merchants in a new context. Like their predecessors, these merchants live as members of minority communities. Their commercial activities are supported by ties of ethnic identity, family, and religion. Such ties favor their success and help them keep control of their markets.

Stoller (2002:178) notes that although Mayaki retains his African identity, he has become a citizen of the world and a player in the global economy. For Mayaki and other African traders, nothing is more important than social relations and mutual trust. Using these, they have negotiated and renegotiated their social lives, mastered the capitalist culture of Abidjan and New York City, and reinforced the traditions of long-distance African trading.

In the 1940s and 1950s, young and adventurous itinerant Hausa traders in Africa and France called themselves "jaguars" after an animal whose power stems as much from its adaptability as from its physical strength. Although the term is no longer in fashion, the global participation of West African traders today is testimony to the

strength of their cultures, the importance of their community and personal relationships, and the qualities of daring and intelligence that serve them so well in Paris and New York, as it did historically in the desert cities of the Arab world and the cities and towns of West Africa.

CRITICAL THINKING QUESTIONS

1. African traders in New York use ties of ethnicity, kinship, and religion to promote business success. How is this similar to or different from the experience of other immigrants to America?
2. Does the use of ethnic identity in trade act to increase or decrease the degree to which members of these communities are integrated into American culture?
3. The worlds of economics, ethnic identity, kinship, and friendship are often entwined. What experiences have you had that illustrate the ways in which these facets of social life work together?

Source: Based on Paul Stoller, *Money Has No Smell: The Africanization of New York City*. Chicago: University of Chicago Press, 2002.

As the case of the Turkish women shows, capitalism has outgrown national boundaries. The result has been great movement of resources and capital and migrations of population, as the whole world has gradually been drawn into the global economy, a system we call globalization. For the most part, members of traditional societies enter the market as low-wage laborers. The wealth they produce accrues to elites within poor nations as well as owners and consumers in wealthy nations (E. Wolf 1982).

Capitalism is a powerful economic system. It undoubtedly provides a greater number of goods and services to larger populations than other ways of organizing an economy, but at a cost. When some individuals or groups own or control basic resources, others must inevitably be denied access to them. This results in permanently differentiated economic and social classes. Cap-

italism dictates that there will always be rich and poor. Often, part of the population lives in extreme poverty, without access to basic resources—in American society, this includes the homeless, the landless rural poor, and the permanently unemployed.

Poverty in capitalist societies punishes weakness, failure, or ill fortune in a way that is less true of the other forms of economic organization described in this chapter. Contemporary capitalist societies, characterized by well-coordinated specialized labor forces, increasingly require mobility, skill, and education for success. The creation of complex global systems of exchange between those who supply raw materials and those who use them in manufacturing, as well as between manufacturers and consumers, results in significant economic inequities both within and among nations. Market-oriented agriculture, the predominance of wage labor, and the subse-



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Many Turkish women accept knitting as a social obligation. This is one factor that leads them to accept very low wages for their products. However, the goods they produce are sold for high prices in wealthy nations.

quent loss of control over culture and social institutions are some of the constraints within which people in the modern global economy must struggle to make a living.

Resistance to Capitalism

Not all societies, nor all individuals within a society, are able or willing to accommodate to capitalism. Historically, the expansion of capitalism was accompanied by the wide-scale destruction of traditional societies, a process examined in more detail in Chapter 15. Further, although capitalism has now expanded into every part of the world, there are probably no countries where all of the population is directly involved in it. In many areas, noncapitalist groups remain, although they are often pushed to geographically marginal areas such as the border between Pakistan and Afghanistan or the jungles of Brazil. In other places, issues of race, gender, and ethnicity prevent people from fully participating in the capitalist economy. However, even in these locations mass-produced goods, media, and fashions from capitalist societies are easily found.

Most Americans probably think of themselves as being in favor of capitalism, but many do not wish to actively engage in it. Individuals join the capitalist economy by selling their labor for wages. Alternatively, they might own productive resources and operate these with hired labor, reinvesting any profits to increase the value and size of their operation. However, in the United States there are many individuals and families that resist these options.

Consider the inhabitants of Putnam County, New York (Hansen 1995). Located about 50 miles from New York City, Putnam County has been poor since the time of the American Revolution. Even in the preindustrial era, its farms were unable to compete successfully with surrounding areas. Today, its people follow two fundamentally different strategies for survival and belong to two different but related economic systems.

Many of Putnam's inhabitants are new residents who commute to jobs in New York City. They work for union-scale wages as police officers, firefighters, and schoolteachers, using their wages to buy houses, food, and so on. They are deeply in debt to mortgage and credit card companies but believe that higher future earnings will permit them to accommodate this financial burden. They are committed to economic and social advancement, and many hope eventually to move to more prosperous suburbs closer to the city. Members of this group are deeply committed to capitalism. They own few productive resources, sell their labor for wages, and conduct the economic aspect of their lives almost entirely through the capitalist market.

Putnam County's other residents have lived there for generations. Members of this group very rarely have full-time wage employment. They almost never visit New York City, which to them has become "a metaphor for all the world's evils" (Hansen 1995:146). Instead they follow what Halperin (1990) has called a multiple-livelihood strategy. They acquire their land through inheritance and generally own it outright. Their lands include both forest and gardens that provide almost all of the vegetables they consume. While women work in the gardens, men hunt year-round, taking deer, rabbits, guinea fowl, and pheasants. They fish in ponds and streams and chop wood for fuel. In addition to these subsistence activities,



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Garage sales, gardening, raising livestock, and doing odd jobs help many Americans avoid full participation in the capitalist economy.

members of this group do carpentry, electrical repair, masonry, plumbing, and other jobs. They barter these skills among themselves and sell them for cash to the commuters. They may also work temporarily for wages at construction jobs. Although Putnam's traditional residents do depend on markets for goods they cannot produce themselves or get through barter, only a small part of their total subsistence comes from the market.

Through such strategies, these residents avoid participation in the capitalist economy. Their financial goals are not to make money or to move to a higher level of consumption. They are concerned with stability rather

than mobility and wish to live as independently as possible. Although they own productive resources such as land and equipment, these do not become capital because they are used to increase the security of their self-sufficiency rather than to accumulate wealth.

The self-sufficient residents of Putnam County remind us that culture counts. For most of us, capitalism seems both natural and inevitable, the way that society must be organized to make sense. However, the ways in which we organize our economy are the result of history, politics, economics, and individual choices; a creation of culture, not natural law.

The Global and the Local: Product Anthropology

In *Creating Breakthrough Products* Jonathan Cagan and Craig M. Vogel write that the most promising area of research is "new product ethnography." Writing in the jargon of business consulting, they say that new product ethnography uses the techniques of applied anthropology to "turn a descriptive process into a predictive field that helps to determine Value Opportunities." Product ethnographers deliver "actionable insights" into behavior and lifestyle activities and preferences that lead to product attributes (2001:107–108). In plainer English, Cagan and Vogel believe that anthropologists can offer vital services to business. New product ethnography is a way of turning the techniques and theoretical perspectives of anthropology into a resource for the corporate world. Those who promote it argue that anthropologists can and should provide vital information that helps corporations design and market products in ways that maximize their profits.

Paco Underhill's work is an example of the use of anthropological techniques to promote product sales. For more than 20 years, Underhill has used observation, photography, and interviews to study the ways people shop. He is the founder of the consulting firm Envirosell (<http://www.envirosell.com>), which advises clients such as McDonald's, The Gap, and Microsoft on how best to appeal to consumers. Some of Underhill's discoveries include the "transition zone" and the "butt brush." The transition zone is the area near the entrance to a store. Underhill observed that people need time to slow down and get used to a new environment, so they rarely purchase items from displays of merchandise that are within 12 or 15 steps of the front of the store. He also pointed out that women in particular will avoid purchasing items on low shelves in narrow aisles, because bending to reach such goods exposes them to being "butt brushed," or bumped from behind. Men are much less prone to avoid being jostled in this way. Underhill has summarized

many of his findings in a popular book, *Why We Buy: The Science of Shopping* (1999).

In many ways, product anthropology and other uses of anthropology in business and government are promising breakthroughs. Since the founding days of the discipline, anthropologists have wanted their voices heard by people outside the university. Now they are increasingly employed in different capacities in consumer research, product design, and marketing. On one hand, this results in a better fit between products and consumers as well as higher profits for corporations. From the PT Cruiser (partially designed by French anthropologist G. Clotaire Rapaille) to computer software, toothbrushes, cookware, and ethnobanking (developing banking services for ethnic target groups), anthropologists have made products more friendly and businesses more money. As companies design products for markets around the globe, anthropologists have valuable contributions to make to design, production, and marketing. On the other hand, the involvement of anthropologists in these fields raises difficult ethical problems. For example, anthropologists mine information from their informants. If corporations then profit from this information, is payment owed to the informants? Historically, the introduction of mass-produced products has destabilized craft production and destabilized local economies. Should anthropologists sell their services to corporations to promote this process? Should anthropology be a way to help corporations make more money?

Key Questions

1. Given that the introduction of manufactured goods has undercut traditional economies and drawn people into the capitalist economy (where they often become low-paid workers and consumers of low-quality merchandise), should anthropologists be involved in the

design and marketing of products to groups about which they have expertise?

2. Given that, with the aid of anthropologists, corporations can produce products that meet local needs and are marketed in culturally appropriate ways, and given that the alternative is often inappropriate, poorly de-

signed and poorly marketed products, can anthropologists justifiably refuse to work with corporations?

3. Perhaps the two questions above present a false dichotomy. What are some positions that anthropologists might take between these two?

Summary

1. **What is economics and what is economic behavior?** Economics is the study of the ways in which the choices people make combine to determine how their societies use their scarce resources to produce and distribute goods and services. Economists assume that people will generally engage in economizing behavior, that they will allocate their scarce goods and resources in ways that maximize their benefit.
2. **What are productive resources? Give some examples.** Productive resources are the things that members of a society need to participate in the economy and access to them is basic to every culture. Such resources generally include land, labor, and knowledge.
3. **How does the allocation of productive resources vary as social complexity increases?** In general, as social complexity increases, access to productive resources becomes more restricted. In foraging societies, all people usually have access to all resources. Among pastoralists, ownership of animals is vested in families and kin groups. Among horticulturalists, people may control land in which they have invested labor. Among agriculturalists, many productive resources are owned by specific individuals.
4. **How is labor organized in most preindustrial and peasant economies?** Labor must be organized in specific ways to produce goods. In most preindustrial and peasant economies, labor is organized by the household or kin group. Work that people both perform and receive locates them with respect in their social network, and is often integral to their identity.
5. **What is the relationship between population, social complexity, and specialization?** As societies become more populous and complex, the number of specialized jobs found in them increases. This is particularly true where societies are dependent on grain agriculture or industrialism. In preindustrial societies, like traditional India, kin groups may have rights or duties to perform particular specializations. Current-day wealthy societies have extremely high degrees of specialization. This creates great efficiency but involves changing notions of identity and often has heavy human costs.
6. **What different systems of distribution are described in this chapter?** In all societies there are systems for distributing and consuming goods and services. Every society uses some combination of reciprocity, redistribution, and the market to redistribute goods and services and to provide patterns and standards for their consumption.
7. **Define reciprocity and describe different types of reciprocity.** Reciprocity is the mutual give and take of goods and services among people. In generalized reciprocity individuals at a close social distance give and take without expecting immediate or specific return. Balanced reciprocity involves individuals at a medium social distance and includes a clear obligation to return goods of nearly equal value to those given. Negative reciprocity is characteristic of impersonal or unfriendly relations and involves attempting to get the better of a trade.
8. **What is redistribution and in what kinds of societies is it commonly found?** In redistribution, goods are collected to a social center from which they are given out to the group in a new pattern. Redistribution occurs in many different contexts but is particularly common in societies that have bigmen and chiefdoms, and in states. Potlatch among Northwest coastal Native Americans provides an example of redistribution. Some forms of redistribution act as leveling mechanisms, forcing wealthier individuals to disburse part of their riches to the rest of the community.
9. **What are the chief characteristics of market exchange and where is it found?** In market exchange, goods and services are bought and sold at a money price determined by market forces. In principle, market exchange is impersonal and occurs without regard to the social position of the participants. Market exchange is the most common mechanism of exchange in the world today and is found in most societies.
10. **What are the defining characteristics of capitalism?** In capitalism, the owners of productive resources use them to increase their financial wealth. In capitalist societies, productive resources are held primarily by a small percentage of the population, most people sell their labor for wages, and the value of people's labor

is always more than the wages they receive. Capitalism can be masked by other relationships such as reciprocity.

11. **Where is resistance to capitalism found and what forms does it take?** Resistance to capitalism is found in almost all capitalist societies. Sometimes such resistance may take the form of movements for social change or vio-

lent revolution. However, in many places, people resist capitalism by owning productive resources that they use only for their own subsistence, avoiding wage labor and limiting their participation in the market. Some of the residents of Putnam County, New York, provide an example.

Key Terms

balanced reciprocity
capital
capitalism
cargo system
economic system
economics

economizing behavior
firm
generalized reciprocity
household
Kula ring
leveling mechanism

market exchange
negative reciprocity
potlatch
productive resources
reciprocity
redistribution

Suggested Readings

Halperin, Rhoda. 1990. *The Livelihood of Kin: Making Ends Meet "The Kentucky Way."* Austin: University of Texas Press. An ethnography of communities in Appalachia, this is an outstanding analysis of some of the alternative economic forms in the United States.

Orlove, Ben. 2002. *Lines in the Water: Nature and Culture at Lake Titicaca.* Berkeley: University of California Press. A poetically written description and analysis of the economy and ecology of fishing villages in Peru, this book examines ideas of economy, government intervention, development, history.

Schneider, Jane, and Rayna Rapp (Eds.). 1995. *Articulating Hidden Histories: Exploring the Influence of Eric R. Wolf.* Berke-

ley: University of California Press. This collection of 21 essays, honoring one of the most influential economic anthropologists, covers topics such as peasants, the market, nationalism, and cultural identity.

Wilk, Richard R., and Lisa C. Cliggett. 2007. *Economies and Cultures: Foundations of Economic Anthropology* (2nd ed.). Boulder, CO: Westview. In this overview of economic anthropology, Wilk and Cliggett focus on what motivates people and what that might say about human nature. They see economic anthropology as a meeting place between materialist and symbolic approaches.