

ECONOMIC ANTHROPOLOGY

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Course Material Developed by Department of Economics,
Faculty of Social Sciences, Eötvös Loránd University Budapest (ELTE)

Department of Economics, Eötvös Loránd University Budapest

Institute of Economics, Hungarian Academy of Sciences

Balassi Kiadó, Budapest



Authors: Tamás Dombos, Viola Zentai

Supervised by Viola Zentai

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Week 1

Forms and rituals of exchange: material and symbolic values

On exchange

- All economies embrace a particular circulation of goods.
- No society can rely on complete autarchy:
 - hazdis (Tanzania): Larger games are shared following the hunt according to established regulations (Woodburn 1982)
 - Cuzco (Peru): The subsistence farming and commodity production are inextricably intertwined in family farms (Mayer 2002)
- Allocation mechanisms (Polányi)
 - reciprocity: sharing of resource based on mutual exchange
 - redistribution: centralisation and reallocation of good by states or big men
 - exchange: market based commodity exchange driven by price mechanisms

Forms of exchange

- Aspects:
 - nature of calculation (self-interest ⇔ altruism)
 - direction (one-directional ⇔ relational)
 - participants (individual ⇔ community); and their relations (equal ⇔ hierarchical)
 - role of money
 - modality (ritual ⇔ everyday)
- Types:
 - commodity exchange
 - barter
 - gift
 - ceremonial exchange
 - one-directional transfers

Barter

- Exchange of goods among equal partners with no use of money („simple commodity exchange”)
 - dual transactions: one particular object moves in one directions whereas the other moves in the opposite
- Significance:
 - the original form of commodity exchange – Adam Smith: the natural propensity to barter and exchange (often criticised)
 - in smaller communities: use of money is often associated with taboo
 - in times of crisis: due to lack of cash
 - widespread in modern economies as well

- Diversity of barter forms:
 - simultaneous ⇔ delayed return (credit)
 - silent circulation ⇔ ritual exchange
 - one-time ⇔ regular

Explaining barters

- Rational choice theory
 - two communities: seaside (fish) and inland (apple)
 - exchange of fish and apple
 - more complicated versions: variety of goods, multiple communities, sequences access to goods
 - transactions costs: travel, storage, information, ⇔ actors can reduce these costs by money
 - the transaction costs of the use of money (currency exchange, tax) ⇔ barter can save these costs
- Anthropological approaches
 - forms of sociability: requires high degree of trust, and relied and induces enduring relationships (Humphrey & Hugh-Jones 1992)

Commodity exchange

- Exchange of different goods among equal partners through the use of money
 - dual transaction: money moves in one direction, the good (or service) moves in the opposite
 - goods are exchanged for their values or usefulness
- Impersonal nature of exchange: it is mediated by price mechanisms
- Genuinely associated with the notion of commodity and market

- Two distinctive paradigms:
 - classical commodities appear only in capitalism: goods are produced for the value they can realise in the exchange (Marx)
 - goods are present in different societies: they are produced for circulation (Simmel, Appadurai)

Gifts

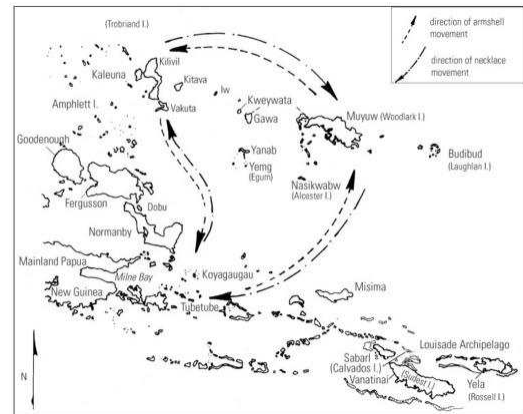
- Goods are exchanged for reinforcing social ties.
- The spirit of reciprocity is dominant:
 - mutual obligations
 - sequenced transactions
- Triadic logic:
 - obligation to give
 - obligation to accept
 - obligation to return
- Personalised component:
 - relations between people
 - objects tied to people

Ceremonial exchange

- Presentation and mutual exchange of valuable objects in ceremonial forms
- Constitutive element of the political order:
 - establishing political alliances
 - enacting peace and post-war compensation
- Ceremonial: formalised and ritual (dance, music, feast)
- Sequenced transaction
- Between individuals ⇔ among groups

The Kula ring

- The refined system of the exchange of goods in Papua New Guinea
- Described by Bronislaw Malinowski, one of the founding father of cultural anthropology describes it (firstly)
- Several thousands men from 18 communities takes part in it; stretches over 1300 km, using canoe
- Objects:
 - arm shells: travel counter-clockwise
 - necklaces: travel clockwise
- Ceremonial exchange:
 - strictly regulated (who, when, where?)
 - rituals: building canoe (expel bad spirits living in the timber), cleaning
 - objects with no use value
 - the value of objects: the more it has been exchanged, the more valuable
 - enduring and mutual relationships between individuals as well as communities
 - prestige and political power



Critique on Malinowski

- Harris (1968)
 - the Kula ring is associated with the exchange of goods necessary for the reproduction of life (gimwali)
 - Kula thus creates the condition for the exchange of everyday goods among hostile communities
- Annette Weiner (1992)
 - Malinowski collected data on the domains of life dominated by men
 - behind the Kula women are engaged in the exchange of banana leaves and banana skirts
 - women have more significant economic roles, and as a consequence, more power that men-centered social practices allow them to reveal

Spheres of exchange of the Tivs

- Bohannan (1955, 1959)
- Nigerian farmers along the commercial routes
- Separate and hierarchical spheres of exchange
 - wives: exchange of sisters (women for women)
 - prestige objects: clothes, cows, slaves (distance trade – cooper rods as money)
 - subsistence goods: food (barter on the local market)
- Conversation between spheres is limited:
 - morally regulated
 - upward conversion: device for increasing prestige



Primitive exchange

- Sahlins (1972)
 - in tribal societies, the logic of economy is specific:
 - „material transactions are instantaneous episodes in the realm of societal ties”
 - societal ties organise the material transactions, and material transactions shape social ties, all this is cemented by reciprocity; BUT
 - reciprocity is not homogenous:
 - general reciprocity: altruism, pure gift
 - balanced reciprocity: gift exchange, trade
 - negative reciprocity: profit motives, barter, gambling, theft
 - relations of social distance and reciprocity:
 - the stronger kinship (kin, clan, tribal) the reciprocity is the more general
 - negative reciprocity: allowed only outside the community

The problem of value

- Why people are engaged in exchange?
 - because goods represent value for them
- What is the source of value?
- Adam Smith (1776): *The Wealth of the Nations*
 - use value: the practical potentials of an object
 - exchange value: the potentials of an object to be exchanged
 - paradox: the two values could diverge
 - water: high use value yet low exchange value
 - diamond: low use value yet high exchange value
 - resolution: labour theory of value

- water can be found everywhere, whereas mining diamond needs major labour investment
- predecessors: St. August, St. Thomas Aquinas (just prices)

Marx's response

- Marx (1867, 1885, 1894): *The Capital*
 - use value is inherent in the object
 - exchange value is conditioned by social relations
 - commodity fetishism:
 - in commodity exchange value appears as relations between objects (as if value were inherent to object)
 - in reality: value is constructed by social relations (labour)
 - alienation
 - labour theory of value:
 - abstract ⇔ concrete labour
 - ratio of labour used to produce and the socially necessary labour to produce the object
 - labour only acknowledged in the exchange

Critique on Marx

- Simmel (1900): *The Philosophy of Money*
 - value is not the property of the object but the valuations of the subject concerning the object
 - the value of an object can be determined in relations to other objects (only this object is wanted than the other)
 - exchanges of sacrifice (Appadurai 1986)

- Baudrillard (1972): *For a critique of the political economy of the sign*
 - the use value is also socially constructed: it is dependent on the systems of needs which is socially shaped
 - symbolic value: signifying taste and status
 - sign value: meanings of objects vis-a-vis each other

The cultural turn

- Sahlins (1976)
 - Marx and the neo-classical economics neglects the key question: what is the origin of value?
 - the value of commodities are defined by cultural codes: commodity exchange is a cultural product
 - the example of the edibility of meats :
 - dog, horse: no; pig, cattle: yes; cattle is the most
 - rather steak than haslets
 - this system is built on the prohibition of cannibalism: to create maximum distance from humans
 - dogs, horse: often personalised, live with human beings
 - haslet: reminds of humans (naming) ⇔ steak creates distance
 - clothing:
 - based on dress, cloth, colour, and the patterns
 - feminine-masculine, domestic-public, lower class-upper class

Conundrums of value theories

- Graeber (2001)
 - confusion around the theories of value understood in different domains:
 - in sociological and philosophical sense – “freedom is a fundamental value of the American society”
 - in economic sense – “this house is worth a lot”
 - in linguistic sense as distinctions in meanings – “the definition of red as not yellow, blue, brown.”
 - values coming to the fore time by time in anthropology: the coordination of systemic and individual actions (motivation)
 - Kluckhohn: value orientations (responses to fundamental questions)
 - Dumont: binary oppositions laden with values

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