

ECONOMIC ANTHROPOLOGY

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Week 13

Cultural and economic systems of modern capitalism

Theories of capitalism

- Economic, social, political and cultural process interpreted in one coherent framework
- Marx
 - base ⇔ superstructure
 - modes of production, class relations
 - alienation, commodity fetishism
- Polányi
 - schemes of integration
 - disembedding of economy from social relations
 - pendulum: free market ⇔ regulated market
- Weber
 - decisive role of culture (ethos)
 - rationalisation, bureaucratisation

Gudeman and the “base of economy”

- Stephen Gudeman (2001)
- Embeddedness of economy, critique of the market model
- Economy = community + market
- Community:
 - groups of people embedded within each other
 - household, band, imagined communities (nation)
 - held together by: shared interest + interpersonal networks
 - economic aspect: creation, appropriation and ownership of things
- Market:
 - impersonal exchange based on contracts
- Market transactions operate within communities:
 - pacts of peace, legal regulation, business partnerships
 - formal economic discourse disregards their existence
- Neither is exclusive in any societies, neither is by default better than the other
- Community:
 - security, predictability, BUT
 - power, inequality, exploitation
- Market:
 - uncertainty, loneliness, concentration of resources, BUT
 - erosion of constraints, freedom, innovation
- Base of economy:
 - material and social space created and used by a community
 - natural resources, material goods, knowledge, skills, practices
- Community governs access to base:
 - unlimited ⇔ limited base
 - rules governing allotment (stock funds, e.g. land) and apportionment (flow funds, e.g. products)

- Profit:
 - no explanation for it in the neoclassical model
 - early modern economic theories: source of profit is extra-economic (God, land, precious metals, capacity of the species)
 - innovation (Schumpeter): entrepreneur as key player
 - creation of value: innovation on the level of communities, individual innovator only as a node
 - community: personal \Leftrightarrow innovation seen as coming from outside, copying allowed
 - market: impersonal \Leftrightarrow naming the innovator, copying not allowed
- Capitalist firm:
 - not only a market actor, a community with its own base
 - knowledge, experience, relationships
 - corporate identity: mission, logo
 - base expressed as goodwill in accounting
 - profit:
 - defined by accounting rules
 - profit made over capital and base
 - main question: how profit produced by a firm is distributed among capital and base

Sahlins and the “develop-man”

- Marshall Sahlins (1988)
- Culturalist critique of world-systems theory
- World-systems theory:
 - non-Western cultures are passive victims of the expansion of the world economy
 - reduction of cultural diversity

- Wolf (1982)
 - in theory: active role on non-European people in forming world history
 - in practice: mechanical cultural alignment to modes of production (thus requirements of the world system)
- Develop-man
 - “misunderstanding” the pidgin pronunciation of development
 - neo-traditional development: expansion of material culture leads to the strengthening of local culture
- Development of world trade in the 18-19th century
- Insatiable appetite for tea in England: need to trade with China
- 4 localities: China, Hawaii, North-American Indians, England
- China
 - refusing to participate in trade for Western goods
 - trading tea for silver unsustainable: continuous efforts from the West to open up trade for Western goods
 - Western goods as representatives of foreign (barbaric) cultures: “repository” approach
 - Old Summer Palace - Yuanmingyuan
 - view of the world: circles embedded in each other representing decreasing levels of civilisation, imperial court in the middle
 - exception: sandalwood, opium
- Sandwich Islands (=Hawaii)
 - sandalwood forests
 - strong demand for Western goods and affiliation with Western cultural symbols (e.g. names)
 - demand for prestige goods only:
 - trading monopoly for chiefs through traditional taboos



- exquisite goods only: new textiles,
new patterns
(only novelty goods, no mass products)
- King Kamehameha: unifying tribes through
trade (prestige + arms)
- consumption as hoarding:
 - status competition undermines cooperation
between chiefs
 - coercing people to work while being denied
participation in consumption hard to maintain
- Kwakiutl Indians
 - North America (today: British
Columbia, Canada)
 - potlatch
 - gifting instead of hoarding
 - quantity (blankets) instead of quality
- England
 - sublimation of desires dissolved
 - spread of “drug foods”
(Sidney Mintz)
 - tea as substitute for alcoholic
beverages



Carrier, Miller and “virtualism”

- James Carrier and Daniel Miller (1998)
- Growing abstraction of economy in Western societies

- Practical ⇔ conceptual abstraction:
 - practical :
 - disembedding of economic relations, separation of economic relations from other social relations
 - example: weaver ⇒ worker in weaving mill
 - contemporary examples: free trade agreements, outsourcing
 - conceptual :
 - spread of abstract-formal economic models
 - growing importance of economics among disciplines
 - adjustment of reality to models, rather than models to reality
- Miller:
 - history as a dialectical process based on the negation of social relations in the previous period
 - perpetual movement between general (abstract) and concret (embedded)
 - early capitalism: free market relations (production)
⇒ welfare capitalism (consumption)
 - late capitalism: abstraction of consumption as aggregate demand and “consumer sovereignty”
 - emergence of “virtual consumer” in economic practice
- Auditing:
 - new public management
 - auditing manufacturing procedures (organic, fair-trade)
 - ideology: in the name of consumers (tax payers)
 - in practice: disappearance of accountability and spaces of direct involvement
- Postmodern social theories:
 - Post-modernity: as loss authenticity, superficiality, pleasure seeking, endless circulation of commodity signs
 - critique: lack of empirical grounding (ethnography)
 - self-generating abstract theories

References

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