

PERSPECTIVES: AN OPEN INTRODUCTION TO CULTURAL ANTHROPOLOGY

SECOND EDITION

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ECONOMICS

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Learning Objectives

- Define economic anthropology and identify ways in which economic anthropology differs from the field of Economics
- Describe the characteristics of the three modes of production: domestic production, tributary production, and capitalist production.
- Compare reciprocity, redistribution, and market modes of exchange.
- Assess the significance of general purpose money for economic exchange.
- Evaluate the ways in which commodities become personally and socially meaningful.
- Use a political economy perspective to assess examples of global economic inequality and structural violence.

One of the hallmarks of the human species is our flexibility: culture enables humans to thrive in extreme arctic and desert environments, to make our homes in cities and rural settings alike. Yet amidst this great diversity there are also universals. For example, all humans, like all organisms, must eat. We all must make our living in the world, whether we do so through foraging, farming, or factory work. At its heart, economic anthropology is a study of livelihoods: how humans work to obtain the material necessities such as food, clothing, and shelter that sustain our lives. Across time and space, different societies have organized their economic lives in radically different ways. Economic anthropologists explore this diversity, focusing on how people produce, exchange, and consume material objects and the role that immaterial things such as labor, services, and knowledge play in our efforts to secure our livelihood.¹ As humans, we all have the same basic needs, but understanding how and why we meet those needs—in often shared but sometimes unique ways—is what shapes the field of economic anthropology.

Economic anthropology is always in dialogue (whether implicitly or explicitly) with the discipline of economics.² However, there are several important differences between the two disciplines. Perhaps most importantly, economic anthropology encompasses the production, exchange, consumption, meaning, and uses of both material objects and immaterial services, whereas contemporary economics focuses primarily on market exchanges. In addition, economic anthropologists dispute the idea that all individual thoughts, choices, and behaviors can be understood through a narrow lens of rational, self-interested decision-making. When asking why people choose to buy a new shirt rather than shoes, anthropologists, and increasingly economists, look beyond the motives of *Homo economicus* to determine how social, cultural, political, and institutional forces shape humans' everyday decisions.³

As a discipline, economics studies the decisions made by people and businesses and how these decisions interact in the marketplace. Economists' models generally rest on several assumptions: that people know what they want, that their economic choices express these wants, and that their wants are defined by their culture. Economics is a normative theory because it specifies how people *should* act if they want to make efficient economic decisions. In contrast, anthropology is a largely descriptive social science; we analyze what people *actually do* and why they do it. Economic anthropologists do not necessarily assume that people know what they want (or *why* they want it) or that they are free to act on their own individual desires.

Rather than simply focusing on market exchanges and individual decision-making, anthropologists consider three distinct phases of economic activity: production, exchange, and consumption. Production involves transforming nature and raw materials into the material goods that are useful and/or necessary for humans. Exchange involves how these goods are distributed among people. Finally, consumption refers to how we use these material goods: for example, by eating food or constructing homes out of bricks. This chapter explores each of these dimensions of economic life in detail, concluding with an overview of how anthropologists understand and challenge the economic inequalities that structure everyday life in the twenty-first century.

MODES OF PRODUCTION

A key concept in anthropological studies of economic life is the **mode of production**, or the social relations through which human labor is used to transform energy from nature using tools, skills, organization, and knowledge. This concept originated with anthropologist Eric Wolf, who was strongly influenced by the social theorist Karl Marx. Marx argued that human consciousness is not determined by our cosmologies or beliefs but instead by our most basic human activity: work. Wolf identified three distinct modes of production in human history: domestic (kin-ordered), tributary, and capitalist.⁴ Domestic or kin-ordered production organizes work on the basis of family relations and does not necessarily involve formal social domination, or the control of and power over other people. However, power and authority may be exerted on specific groups based on age and gender. In the tributary mode of production, the primary producer pays tribute in the form of material goods or labor to another individual or group of individuals who controls production through political, religious, or military force. The third mode, capitalism, is the one most familiar to us. The capitalist mode of production has three central features: (1) private property is owned by members of the capitalist class; (2) workers sell their labor power to the capitalists in order to survive; and (3) surpluses of wealth are produced, and these surpluses are either kept as profit or reinvested in production in order to generate further surplus. As

we will see in the next section, Modes of Exchange, capitalism also links markets to trade and money in very unique ways. First, though, we will take a closer look at each of the three modes of production

Domestic Production

The domestic, or kin-ordered, mode of production characterizes the lives of foragers and small-scale **subsistence farmers** with social structures that are more egalitarian than those characterizing the other modes of production (though these structures are still shaped by age- and gender-based forms of inequality). In the domestic mode of production, labor is organized on the basis of kinship relations (which is why this form of production is also known as kin-ordered). In southern Mexico and parts of Central America, many indigenous people primarily make their living through small-scale subsistence maize farming. Subsistence farmers produce food for their family's own consumption (rather than to sell). In this family production system, the men generally clear the fields and the whole family works together to plant the seeds. Until the plants sprout, the children spend their days in the fields protecting the newly planted crops. The men then weed the crops and harvest the corn cobs, and, finally, the women work to dry the corn and remove the kernels from the cobs for storage. Over the course of the year mothers and daughters typically grind the corn by hand using a *metate*, or grinding stone (or, if they are lucky, they might have access to a mechanical grinder). Ultimately, the corn is used to make the daily tortillas the family consumes at each meal. This example demonstrates how the domestic mode of production organizes labor and daily activities within families according to age and gender.



Figure 1: Woman Grinding Corn with a Metate

Foraging societies are also characterized by (1) the collective ownership of the primary **means of production**, (2) lower rates of social domination, and (3) sharing. For example, the Dobe Ju/'hoansi (also known as the !Kung), a society of approximately 45,000 people living in the Kalahari Desert of Botswana and Namibia, typically live in small groups consisting of siblings of both sexes, their spouses, and children. They all live in a single camp and move together for part of the year. Typically women collect plant foods and men hunt for meat. These resources are pooled within family groups and distributed within wider kin networks when necessary. However, women will also kill animals when the opportunity presents itself, and men spend time collecting plant foods, even when hunting.

As discussed in the Marriage and Family chapter, kinship relations are determined by culture, not biology. Interestingly, in addition to genealogical kinship, the Dobe Ju/'hoansi recognize kinship relations on the basis of gender-linked names; there are relatively few names, and in this society the possession of common names trumps genealogical ties. This means that an individual would call anyone with his father's name "father." The Dobe Ju/'hoansi have a third kinship system that is based on the principle that an older person determines the kinship terms that will be used in relation with another individual (so, for example, an elderly woman may refer to a young male as her nephew or grandson, thus creating a kin relationship). The effect of these three simultaneous kinship systems is that virtually everyone is kin in Ju/'hoansi society—those who are biologically related and those who are not. This successfully expands the range of individuals with whom products of labor, such as meat from a kill, must be shared.⁵ These beliefs and the behaviors they inspire reinforce key elements of the domestic mode of production: collective ownership, low levels of social domination, and sharing.

Tributary Production

The tributary mode of production is found in social systems divided into classes of rulers and subjects. Subjects, typically farmers and/or herders, produce for themselves and their families, but they also give a proportion of their goods or labor to their rulers as tribute. The tributary mode of production characterizes a variety of precapitalist, state-level societies found in Europe, Asia, Africa, and the Americas. These societies share several common features: (1) the dominant units of production are communities organized around kinship relations; (2) the state's society depends on the local communities, and the tribute collected is used by the ruling class rather than exchanged or reinvested; (3) relationships between producers and rulers are often conflictual; and (4) production is controlled politically rather than through the direct control of the means of production. Some historic tributary systems, such as those found in feudal Europe and medieval Japan, were loosely organized, whereas others, such as the pre-contact Inca Empire and imperial China, were tightly managed.

In the Chinese imperial system, rulers not only demanded tribute in the form of material goods but also organized large-scale production and state-organized projects such as irrigation, roads, and flood control. In addition to accumulating agricultural surpluses, imperial officials also controlled large industrial and commercial enterprises, acquiring necessary products, such as salt, porcelain, or bricks, through nonmarket mechanisms. The rulers of most tributary systems were determined through descent and/or military and political service. However, the 1,000-year imperial Chinese system (CE 960–1911) was unique in that new members were accepted based on their performance in examinations that any male could take, even males of low status.⁶ Despite this exception, the Chinese imperial system exhibits many hallmarks of the tributary mode of production, including the political control of production and the collection of tribute to support state projects and the ruling classes.

Capitalist Production

The capitalist mode of production is the most recent. While many of us may find it difficult to conceive of an alternative to capitalism, it has in fact only existed for a mere fraction of human history, first originating with the North American and western European industrial revolution during the seventeenth and eighteenth centuries. Capitalism is distinguished from the other two modes of production as an economic system based on private property owned by a capitalist class. In the domestic and tributary modes of production, workers typically own their means of production (for example, the land they farm). However, in the capitalist mode of production, workers typically do not own the factories they work in or the businesses they work for, and so they sell their labor power to other people, the capitalists, in order to survive. By keeping wages low, capitalists are able to sell the products of the workers' labor for more than it costs to produce the products. This enables capitalists, or those who own the means of production, to generate a surplus that is either kept as profit or reinvested in production with the goal of generating additional surplus. Therefore, an important distinguishing feature of the capitalist mode of production is that workers are separated from the means of production (for example, from the factories they work in or the businesses they work for), whereas in the domestic and tributary modes workers are not separated from the means of production (they own their own land or they have free access to hunting and foraging grounds). In the domestic and tributary modes of production, workers also retain control over the goods they produce (or a portion of them), and they control their own labor, deciding when and when not to work.⁷ However, this is not true within capitalism. A fac-

tory worker does not own the widget that she helps build in a factory, and she cannot decide when she would like to show up at work each day.

Economic anthropologists stress that people and communities are differentially integrated into the capitalist mode of production. For example, some subsistence farmers may also produce a small crop of agricultural commodities in order to earn cash income to pay for necessities, such as machetes or farm tools, that they cannot make themselves. Many of us have had “informal” jobs tending a neighbor’s children or mowing someone’s lawn. Informal work such as this, where one does not work on a full-time, contracted basis, is especially important in developing countries around the world where informal employment comprises one-half to three-quarters of nonagricultural employment.⁸

Even in our own capitalist society, many of us regularly produce and exchange goods and services outside of the so-called formal marketplace: baking zucchini bread for a cousin who shares her vegetable garden’s produce, for example, or buying fair-trade chocolate from a cooperative grocery store. We might spend Sundays volunteering in a church’s nursery, or perhaps moonlighting as a server for a friend’s catering business, working “under the table” for cash. Each of these examples highlights how even in advanced capitalist societies, we engage in diverse economic practices every day. If, as some suggest, economic anthropology is at its heart a search for alternatives to capitalism, it is useful to explore the many diverse economies that are thriving alongside capitalist modes of production and exchange.⁹

Fair-Trade Coffee Farmers: 21st Century Peasants

Small-scale, semi-subsistence farmers make up the largest single group of people on the planet today. Once known as peasants, these people pose an interesting conundrum to economic anthropologists because they live their lives both inside and outside of global capitalism and state societies. These farmers primarily use their own labor to grow the food their families eat. They might also produce some type of commodity for sale. For example, many of the indigenous corn farmers in southern Mexico and Central America discussed earlier also produce small amounts of coffee that they sell in order to earn money to buy school supplies for their children, building supplies for their homes, clothing, and other things that they cannot produce themselves.

There are between 20 and 25 million small farmers growing coffee in more than 50 countries around the world. A portion of these small coffee farmers are organized into cooperatives in order to collectively sell their coffee as fair-trade certified. Fair trade is a trading partnership, based on dialogue, transparency, and respect, that seeks greater equity in international trade. According to Fairtrade International, fair trade supports farmers and workers to combat poverty and strengthen their livelihoods by establishing a minimum price for as many fair-trade products as possible; providing, on top of stable prices, a fair-trade premium; improving the terms of trade for farmers by providing access to information, clear contracts with pre-payments, access to markets and financing; and promoting better living wages and working conditions.¹⁰ In order to certify their coffee, small farmers must belong to democratically run producers’ associations in which participation is open to all eligible growers, regardless of ethnicity, gender, religion, or political affiliation.

To better understand how indigenous farmers practice kin-organized subsistence maize production while simultaneously producing an agricultural commodity for global markets, I conducted long-term research in a highland Guatemala community.¹¹ In 1977 a small number of Tz’utujil Maya coffee farmers formed a cooperative, *La Voz Que Clama en el Desierto* (A Voice Crying Out in the Wilderness), with the goal of securing higher prices for their agricultural products and escaping the severe poverty they

struggled against on a daily basis. Since the early 1990s the group has produced high-quality organic and fair-trade certified coffee for the U.S. market.

The farmers work tirelessly to ensure that their families have sufficient corn to eat *and* that their coffee meets the cooperative's high standards of quality. The members of La Voz refer to their coffee trees as their "children" who they have lovingly tended for decades. High-quality, organic coffee production is time consuming and arduous—it requires almost daily attention. During the coffee harvest between December and March, wives, husbands, and children work together to pick the coffee cherries by hand as they ripen and carry them to the wet mill each afternoon.



Figure 2: Sorting Coffee Beans

While these farmers are producing a product for the global market, it is not strictly a capitalist mode of production. They own their own land and they sell the fruits of their labor for guaranteed prices. They also work cooperatively with one another, pooling and exchanging their labor, in order to guarantee the smooth functioning of their organization. This cooperation, while essential, is hard work. Because the fair-trade system does not rely on anonymous market exchanges, members of La Voz must also dedicate time to nurturing their relationships with the coffee importers, roasters, advocates, and consumers who support all their hard work through promotion and purchases. This means attending receptions when buyers visit, dressing up in traditional clothing to pick coffee on film for marketing materials, and putting up with questions from nosy anthropologists.

Because the coffee farmers also produce much of the food their families consume, they enjoy a great deal of flexibility. In times of hardship, they can redirect their labor to other activities by intensifying corn production, migrating in search of wage labor, or planting other crops. Their ultimate goal is to maintain the family's economic autonomy, which is rooted in ownership of the means of production—in this case, their land. A close examination of these farmers' lives reveals that they are not

relics of a precapitalist system. Instead, their economic activity is uniquely adapted to the contemporary global economy in order to ensure their long-term survival.

Salaula in Zambia: The Informal Economy

The informal economy includes a diverse range of activities that are unregulated (and untaxed) by the state: rickshaw pullers in Calcutta, street vendors in Mexico City, and scrap-metal recyclers in Lexington, Kentucky, are all considered informal workers. Informal economies include people who are informally self-employed *and* those working informally for other people's enterprises. In some parts of the world the informal economy is a significant source of income and revenue. In Sub-Saharan Africa, for example, the informal economy generates nearly 40 percent as much revenue as that included in the "official" gross domestic product.¹² Consequently, the informal economy is of great interest to economic anthropologists. However, the term "informal economy" is critiqued by some scholars since often what we refer to as informal economies are actually quite formal and organized, even though this organization is not regulated by the state and may be based on an internal logic that makes the most sense to those who participate in the exchanges.

Karen Hansen provides an in-depth look at the lives of vendors in the *salaula*, the secondhand clothing markets in Zambia in southern Africa.¹³ *Salaula*, a term that literally means "to rummage through a pile," is an unusual industry that begins in many of our own homes. In today's era of fast fashion in which Americans buy more than 20 billion garments each year (that's 68 garments per person!), many of us regularly bag up our gently used, unfashionable clothing and drop it off at a nearby Goodwill shop.¹⁴ Only about half of these donated clothes actually end up in charity thrift stores. The rest are sold to one of the nearly 300 firms that specialize in the global clothing recycling business. The textile recycling firms sort the clothing by grades; the higher-quality items are sent to Central America, and the lowest grades go to African and Asian countries. In Sub-Saharan Africa an estimated 50 percent of purchased clothing consists of these secondhand imports, referred to by some consumers as "dead man's clothes" because of the belief that they come from the deceased.¹⁵ In Zambia the secondhand clothes are imported in bulk by 40 wholesale firms that, in turn, sell the clothes to *salaula* traders. The traders sell the clothes out of their homes and in large public markets.

Typically the people working as *salaula* traders have either never had formal-sector jobs or have lost their jobs in the public or private sector. Often they start selling in order to accumulate money for other activities or as a sideline business. Hansen found that there were slightly more female sellers and that women were more likely to be single heads of households. Successful *salaula* trading requires business acumen and practical skills. Flourishing traders cultivate their consumer knowledge, develop sales strategies, and experiment with display and pricing. While *salaula* trading has relatively low barriers to entry (one simply has to purchase a bale of clothing from a wholesale importer in order to get started), in this informal market scale is important: *salaula* moves best when traders have a lot of it on offer. Traders also have to understand the local cultural politics in order to successfully earn a living in this sector. For example, *salaula* is different from used clothing from people someone knows. In fact, secondhand clothing with folds and wrinkles from the bale is often the most desirable because it is easily identifiable as "genuine" *salaula*.¹⁶



Figure 3: Roadside Salaula Trader, Zambia

The global salaula commodity chain presents an interesting example of how material goods can flow in and out of capitalist modes of production and exchange. For example, I might buy a dress that was produced in a factory to give (not sell!) to my young niece. After wearing the dress for several months, Maddie will probably outgrow it, and her Mom will drop it off at the nearby Goodwill shop. There is a 50 percent chance that the dress will be sold by the charity to a clothing recycler who will export it to Zambia or a nearby country. From there the dress will end up in a bale of clothing that is purchased by a salaula trader in Lusaka. At this point the dress enters the informal economy as

the salaula markets are unregulated and untaxed. A consumer might buy the dress and realize that it does not quite fit her own daughter. She might then take it to her neighbor, who works informally as a tailor, for alternations. Rather than paying her neighbor for the work on the dress, the consumer might instead arrange to reciprocate at a later date by cleaning the tailor's home. This single item of clothing that has traveled the globe and moved in and out of formal and informal markets highlights how diverse our economic lives really are, a theme that we will return to at the end of this chapter.

MODES OF EXCHANGE

There are three distinct ways to integrate economic and social relations and distribute material goods. Contemporary economics only studies the first, market exchange. Most economic models are unable to explain the second two, reciprocity and redistribution, because they have different underlying logics. Economic anthropology, on the other hand, provides rich and nuanced perspective into how diverse modes of exchange shape, and are shaped by, everyday life across space and time. Anthropologists understand market exchange to be a form of trade that today most commonly involves general purpose money, bargaining, and supply and demand price mechanisms. In contrast, reciprocity involves the exchange of goods and services and is rooted in a mutual sense of obligation and identity. Anthropologists have identified three distinct types of reciprocity, which we will explore shortly: generalized, balanced, and negative.¹⁷ Finally, redistribution occurs when an authority of some type (a temple priest, a chief, or even an institution such as the Internal Revenue Service) collects economic contributions from all community members and then redistributes these back in the form of goods and services. Redistribution requires centralized social organization, even if at a small scale (for example, within the foraging societies discussed above). As we will see, various modes of exchange can and do coexist, even within capitalism.

Reciprocity

While early economic anthropology often seemed focused on detailed investigations of seemingly exotic economic practices, anthropologists such as Bronislaw Malinowski and Marcel Mauss used

ethnographic research and findings to critique Western, capitalist economic systems. Today, many follow in this tradition and some would agree with Keith Hart's statement that economic anthropology "at its best has always been a search for an alternative to capitalism."¹⁸ Mauss, a French anthropologist, was one of the first scholars to provide an in-depth exploration of reciprocity and the role that gifts play in cultural systems around the world.¹⁹ Mauss asked why humans feel obliged to reciprocate when they receive a gift. His answer was that giving and reciprocating gifts, whether these are material objects or our time, creates links between the people involved.²⁰

Over the past century, anthropologists have devoted considerable attention to the topic of reciprocity. It is an attractive one because of the seemingly moral nature of gifts: many of us hope that humans are not solely self-interested, antisocial economic actors. Gifts are about social relations, not just about the gifts themselves; as we will see, giving a gift that contains a bit of oneself builds a social relationship with the person who receives it.²¹ Studying reciprocity gives anthropologists unique insights into the moral economy, or the processes through which customs, cultural values, beliefs, and social coercion influence our economic behavior. The economy can be understood as a symbolic reflection of the cultural order and the sense of right and wrong that people adhere to within that cultural order.²² This means that economic behavior is a unique cultural practice, one that varies across time and space.

Generalized Reciprocity

Consider a young child. Friends and family members probably purchase numerous gifts for the child, small and large. People give freely of their time: changing diapers, cooking meals, driving the child to soccer practice, and tucking the child in at night. These myriad gifts of toys and time are not written down; we do not keep a running tally of everything we give our children. However, as children grow older they begin to reciprocate these gifts: mowing an elderly grandmother's yard, cooking dinner for a parent who has to work late, or buying an expensive gift for an older sibling. When we gift without reckoning the exact value of the gift or expecting a specific thing in return we are practicing **generalized reciprocity**. This form of reciprocity occurs within the closest social relationships where exchange happens so frequently that monitoring the value of each item or service given and received would be impossible, and to do so would lead to tension and quite possibly the eventual dissolution of the relationship.

However, generalized reciprocity is not necessarily limited to households. In my own suburban Kentucky neighborhood we engage in many forms of generalized reciprocity. For example, we regularly cook and deliver meals for our neighbors who have a new baby, a sick parent, or recently deceased relative. Similarly, at Halloween we give out handfuls of candy (sometimes spending \$50 or more in the process). I do not keep a close tally of which kid received which candy bar, nor do my young daughters pay close attention to which houses gave more or less desirable candy this year. In other cultures, generalized reciprocity is the norm rather than the exception. Recall the Dobe Ju/'hoansi foragers who live in the Kalahari Desert: they have a flexible and overlapping kinship system which ensures that the products of their hunting and gathering are shared widely across the entire community. This generalized reciprocity reinforces the solidarity of the group; however, it also means that Dobe Ju/'hoansi have very few individual possessions and generosity is a prized personality trait.

Balanced Reciprocity

Unlike generalized reciprocity, **balanced reciprocity** is more of a direct exchange in which something is traded or given with the expectation that something of equal value will be returned within a specific time period. This form of reciprocity involves three distinct stages: the gift must be given, it has to be received, and a reciprocal gift has to be returned. A key aspect of balanced reciprocity is that without reciprocation within an appropriate time frame, the exchange system will falter and the social relationship might end. Balanced reciprocity generally occurs at a social level more distant than the family, but it usually occurs among people who know each other. In other words, complete strangers would be unlikely to engage in balanced reciprocity because they would not be able to trust the person to reciprocate within an acceptable period of time.

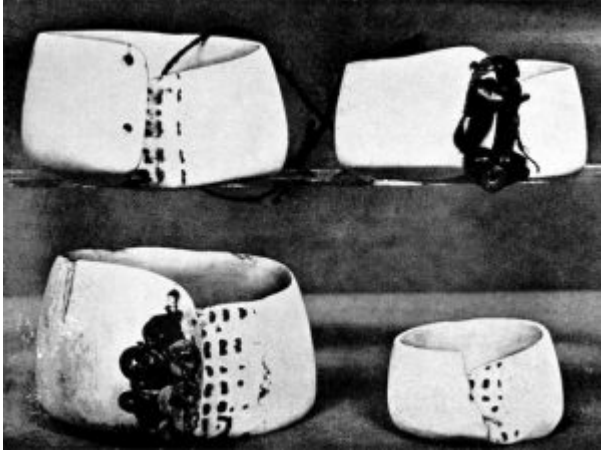


Figure 4: Mwali from the Kula Exchange

The Kula ring system of exchange found in the Trobriand Islands in the South Pacific is one example of balanced reciprocity. A Kula ring involves the ceremonial exchange of shell and bead necklaces (*soulava*) for shell arm bands (*mwali*) between trading partners living on different islands. The arm bands and necklaces constantly circulate and only have symbolic value, meaning they bring the temporary owner honor and prestige but cannot be bought or sold for money. Malinowski was the first anthropologist to study the Kula ring, and he found that although participants did not profit materially from the exchange, it served several important functions in Trobriand society.²³

Because participants formed relationships with trading participants on other islands, the Kula ring helped solidify alliances among tribes, and overseas partners became allies in a land of danger and insecurity. Along with arm bands and necklaces, Kula participants were also engaging in more mundane forms of trade, bartering from one island to another. Additionally, songs, customs, and cultural influences also traveled along the Kula route. Finally, although ownership of the arm bands and necklaces was always temporary (for eventually participants are expected to gift the items to other partners in the ring), Kula participants took great pride and pleasure in the items they received. The Kula ring exhibits all the hallmarks of balanced reciprocity: necklaces are traded for armbands with the expectation that objects of equal value will be returned within a specific time period.

The Work of Reciprocity at Christmas

How many of us give and receive gifts during the holiday season? Christmas is undeniably a religious celebration, yet while nine in ten Americans say they celebrate Christmas, about half view it to be more of a secular holiday. Perhaps this is why eight in ten non-Christians in the United States now celebrate Christmas.²⁴ How and why has this one date in the liturgical calendar come to be so central to U.S. culture and what does gift giving have to do with it? In 1865, Christmas was declared a national holiday; just 25 years later, *Ladies' Home Journal* was already complaining that the holiday had become overly commercialized.²⁵ A recent survey of U.S. citizens found that we continue to be frustrated with the commercialization of the season: one-third say they dislike the materialism of the holidays, one-fifth

are unhappy with the expenses of the season, and one in ten dislikes holiday shopping in crowded malls and stores.²⁶

When asked what they like most about the holiday season, 70 percent of U.S. residents say spending time with family and friends. This raises the question of how and why reciprocal gift giving has become so central to the social relationships we hope to nurture at Christmas. The anthropologist James Carrier argues that the affectionate giving at the heart of modern Christmas is in fact a celebration of personal social relations.²⁷ Among our family members and closest friends this gift giving is *generalized* and more about the expression of sentiment. When we exchange gifts with those outside this small circle it tends to be more *balanced*, and we expect some form of equivalent reciprocation. If I spend \$50 on a lavish gift for a friend, my feelings will undoubtedly be hurt when she reciprocates with a \$5 gift card to Starbucks.

Christmas shopping is arduous—we probably all know someone who heads to the stores at midnight on Black Friday to get a jumpstart on their consumption. Throughout the month of December we complain about how crowded the stores are and how tired we are of wrapping presents. Let's face it: Christmas is a lot of work! Recall how the reciprocity of the Kula ring served many functions in addition to the simple exchange of symbolic arm bands and shell necklaces. Similarly, Christmas gift giving is about more than exchanging commodities. In order to cement our social relationships we buy and wrap gifts (even figuratively by placing a giant red bow on oversize items like a new bicycle) in order to symbolically transform the impersonal commodities that populate our everyday lives into meaningful gifts. The ritual of shopping, wrapping, giving, and receiving proves to us that we can create a sphere of love and intimacy alongside the world of anonymous, monetary exchange. The ritualistic exchange of gifts is accompanied by other traditions, such as the circulation of holiday cards that have no economic or practical value, but instead are used to reinforce social relationships. When we view Christmas through a moral economy lens, we come to understand how our economic behavior is shaped by our historical customs, cultural values, beliefs, and even our need to maintain appearances. Christmas is hard work, but with any luck we will reap the rewards of strong relational bonds.²⁸

Negative Reciprocity

Unlike balanced and generalized reciprocity, **negative reciprocity** is an attempt to get something for nothing. It is the most impersonal of the three forms of reciprocity and it commonly exists among people who do not know each other well because close relationships are incompatible with attempts to take advantage of other people. Gambling is a good example of negative reciprocity, and some would argue that market exchange, in which one participant aims to buy low while the other aims to sell high, can also be a form of negative reciprocity.

The emails always begin with a friendly salutation: "Dear Beloved Friend, I know this message will come to you as surprised but permit me of my desire to go into business relationship with you." The introduction is often followed by a long involved story of deaths and unexpected inheritances: "I am Miss Naomi Surugaba, a daughter to late Al-badari Surugaba of Libya whom was murdered during the recent civil war in Libya in March 2011....my late Father came to Cotonou Benin republic with USD 4,200,000.00 (US\$4.2M) which he deposited in a Bank here...for safe keeping. I am here seeking for an avenue to transfer the fund to you....Please I will offer you 20% of the total sum for your assistance...."²⁹ The emails are crafted to invoke a sense of balanced reciprocity: the authors tell us how trustworthy and esteemed we are and offer to give us a percentage of the money in exchange for our assistance. However, most savvy recipients immediately recognize that these scams are in fact a form of negative

reciprocity since they know they will never actually receive the promised money and, in fact, will probably lose money if they give their bank account information to their correspondent.

The anthropologist Daniel Smith studied the motives and practices of Nigerian email scammers who are responsible for approximately one-fifth of these types of emails that flood Western inboxes.³⁰ He found that 419 scams, as they are known in Nigeria (after the section of the criminal code outlawing fraud), emerged in the largest African state (Nigeria has more than 130 million residents, nearly 70 percent of whom live below the poverty line) in the late 1990s when there were few legitimate economic opportunities for the large number of educated young people who had the English skills and technological expertise necessary for successful scams. Smith spoke with some of the Nigerians sending these emails and found that they dreamed of a big payoff someday. They reportedly felt bad for people who were duped, but said that if Americans were greedy enough to fall for it they got what they deserved.

The typical email correspondence always emphasizes the urgency, confidentiality, and reciprocity of the proposed arrangement. Smith argues that the 419 scams mimic long-standing cultural practices around kinship and patronage relations. While clearly 419 scammers are practicing negative reciprocity by trying to get something for nothing (unfortunately we will never receive the 20 percent of the \$4.2 million that Miss Naomi Surugaba promised us), many in the United States continue to be lured in by the veneer of balanced reciprocity. The FBI receives an estimated 4,000 complaints about advance fee scams each year, and annual victim losses total over \$55 million.³¹

Redistribution

Redistribution is the accumulation of goods or labor by a particular person or institution for the purpose of dispersal at a later date. Redistribution is found in all societies. For example, within households we pool our labor and resources, yet we rarely distribute these outside of our family. For redistribution to become a central economic process, a society must have a centralized political apparatus to coordinate and enforce the practice.

Redistribution can occur alongside other forms of exchange. For example, in the United States everyone who works in the formal sector pays federal taxes to the Internal Revenue Service. During the 2015 fiscal year the IRS collected \$3.3 trillion in federal revenue. It processed 243 million returns, and 119 million of these resulted in a tax refund. In total, \$403.3 billion tax dollars were redistributed by this central political apparatus.³² Even if I did not receive a cash refund from the IRS, I still benefited from the redistribution in the form of federal services and infrastructure.

Sometimes economic practices that appear to be merely reciprocal gift exchanges are revealed to be forms of redistribution after closer inspection. The potlatch system of the Native American groups living in the United States and Canadian northwestern coastal area was long understood as an example of functional gift giving. Traditionally, two groups of clans would perform highly ritualized exchanges of food, blankets, and ritual objects. The system produced status and prestige among participants: by giving away more goods than another person, a chief could build his reputation and gain new respect within the community. After contact with settlers, the excessive gift giving during potlatches escalated to the point that early anthropologists described it as a “war of property.”³³

Later anthropological studies of the potlatch revealed that rather than wasting, burning, or giving away their property to display their wealth, the groups were actually giving away goods that other groups could use and then waiting for a later potlatch when they would receive things not available in their own region. This was important because the availability of food hunted, fished, and foraged by native communities could be highly variable. The anthropologist Stuart Piddocke found that the pot-

latch primarily served a livelihood function by ensuring the redistribution of goods between groups with surpluses and those with deficits.³⁴

Markets

The third way that societies distribute goods and services is through market exchange. Markets are social institutions with prices or exchange equivalencies. Markets do not necessarily have to be localized in a geographic place (e.g., a marketplace), but they cannot exist without institutions to govern the exchanges. Market and reciprocal exchange appear to share similar features: one person gives something and the other receives something. A key distinction between the two is that market exchanges are regulated by supply and demand mechanisms. The forces of supply and demand can create risk for people living in societies that largely distribute goods through market exchange. If we lose our jobs, we may not be able to buy food for our families. In contrast, if a member of a Dobe Ju/'hoansi community is hurt and unable to gather foods today, she will continue to eat as a result of generalized reciprocal exchanges.

Market exchanges are based on transactions, or changes in the status of a good or service between people, such as a sale. While market exchange is generally less personal than reciprocal exchange, personalized transactions between people who have a relationship that endures beyond a single exchange do exist. Atomized transactions are impersonal ones between people who have no relationship with each other beyond the short term of the exchange. These are generally short-run, closed-ended transactions with few implications for the future. In contrast, personalized transactions occur between people who have a relationship that endures past the exchange and might include both social and economic elements. The transactors are embedded in networks of social relations and might even have knowledge of the other's personality, family, or personal circumstances that helps them trust that the exchange will be satisfactory. Economic exchanges within families, for example when a child begins to work for a family business, are extreme examples of personalized market exchange.

To better understand the differences between transactions between relative strangers and those that are more personalized, consider the different options one has for a haircut: a person can stop by a chain salon such as Great Clips and leave twenty minutes later after spending \$15 to have his hair trimmed by someone he has never met before, or he can develop an ongoing relationship with a hair stylist or barber he regularly visits. These appointments may last an hour or even longer, and he and his stylist probably chat about each other's lives, the weather, or politics. At Christmas he may even bring a small gift or give an extra tip. He trusts his stylist to cut his hair the way he likes it because of their long history of personalized transactions.

Maine Lobster Markets

To better understand the nature of market transactions, anthropologist James Acheson studied the economic lives of Maine fishermen and lobster dealers.³⁵ The lobster market is highly sensitive to supply and demand: catch volumes and prices change radically over the course of the year. For example, during the winter months, lobster catches are typically low because the animals are inactive and fishermen are reluctant to go out into the cold and stormy seas for small catches. Beginning in April, lobsters become more active and, as the water warms, they migrate toward shore and catch volumes increase. In May prices fall dramatically; supply is high but there are relatively few tourists and demand is low. In

June and July catch volume decreases again when lobsters molt and are difficult to catch, but demand increases due to the large influx of tourists, which, in turn, leads to higher prices. In the fall, after the tourists have left, catch volume increases again as a new class of recently molted lobsters become available to the fishermen. In other words, catch and price are inversely related: when the catch is lowest, the price is highest, and when the catch is highest, the price is lowest.

The fishermen generally sell their lobsters to wholesalers and have very little idea where the lobsters go, how many hands they pass through on their way to the consumer, how prices are set, or why they vary over the course of the year. In other words, from the fisherman's point of view the process is shrouded in fog, mystery, and rumor. Acheson found that in order to manage the inherent risk posed by this variable market, fishermen form long-term, personalized economic relationships with particular dealers. The dealers' goal is to ensure a large, steady supply of lobsters for as low a price as possible. In order to do so, they make contracts with fishermen to always buy all of the lobster they have to sell no matter how glutted the market might be. In exchange, the fishermen agree to sell their catches for the going rate and forfeit the right to bargain over price. The dealers provide added incentives to the fishermen: for example, they will allow fishermen to use their dock at no cost and supply them with gasoline, diesel fuel, paint, buoys, and gloves at cost or with only a small markup. They also often provide interest-free loans to their fishermen for boats, equipment, and traps. In sum, the Maine fishermen and the dealers have, over time, developed highly personalized exchange relations in order to manage the risky lobster market. While these market exchanges last over many seasons and rely on a certain degree of trust, neither the fishermen nor the dealers would characterize the relationship as reciprocal—they are buying and selling lobster, not exchanging gifts.

Money

While general purpose money is not a prerequisite for market exchanges, most commercial transactions today do involve the exchange of money. In our own society, and in most parts of the world, general purpose money can be exchanged for all manner of goods and services. General purpose money serves as a medium of exchange, a tool for storing wealth, and as a way to assign interchangeable values. It reflects our ideas about the generalized interchangeability of all things—it makes products and services from all over the world commensurable in terms of a single metric. In so doing, it increases opportunities for unequal exchange.³⁶ As we will see, different societies have attempted to challenge this notion of interchangeability and the inequalities it can foster in different ways.

Tiv Spheres of Exchange

Prior to colonialism, the Tiv people in Nigeria had an economic system governed by a moral hierarchy of values that challenged the idea that all objects can be made commensurable through general purpose money. The anthropologists Paul and Laura Bohannan developed the theory of spheres of exchange after recognizing that the Tiv had three distinct economic arenas and that each arena had its own form of money.³⁷ The subsistence sphere included locally produced foods (yams, grains, and vegetables), chickens, goats, and household utensils. The second sphere encompassed slaves, cattle, white cloth, and metal bars. Finally, the third, most prestigious sphere was limited to marriageable females. Excluded completely from the Tiv spheres of exchange were labor (because it was always reciprocally exchanged) and land (which was not owned per se, but rather communally held within families).

The Tiv were able to convert their wealth upwards through the spheres of exchange. For example, a Tiv man could trade a portion of his yam harvest for slaves that, in turn, could be given as bridewealth for a marriageable female. However, it was considered immoral to convert wealth downwards: no honorable man would exchange slaves or brass rods for food.³⁸ The Bohannans found that this moral economy quickly collapsed when it was incorporated into the contemporary realm of general purpose money. When items in any of the three spheres could be exchanged for general purpose money, the Tiv could no longer maintain separate categories of exchangeable items. The Bohannans concluded that the moral meanings of money—in other words, how exchange is culturally conceived—can have very significant material implications for people’s everyday lives.³⁹

Local Currency Systems: Ithaca HOURS

While we may take our general purpose currency for granted, as the Tiv example demonstrates, money is profoundly symbolic and political. Money is not only the measure of value but also the purpose of much of our activity, and money shapes economic relations by creating inequalities and obliterating qualitative differences.⁴⁰ In other words, I might pay a babysitter \$50 to watch my children for the evening, and I might spend \$50 on a new sweater the next day. While these two expenses are commensurable through general purpose money, qualitatively they are in fact radically different in terms of the sentiment I attach to each (and I would not ever try to pay my babysitter in sweaters).

Some communities explicitly acknowledge the political and symbolic components of money and develop complementary currency systems with the goal of maximizing transactions in a geographically bounded area, such as within a single city. The goal is to encourage people to connect more directly with each other than they might do when shopping in corporate stores using general purpose money.⁴¹ For example, the city of Ithaca, New York, promotes its local economy and community self-reliance through the use of Ithaca HOURS.⁴² More than 900 participants accept Ithaca HOURS for goods and services, and some local employers and employees even pay or receive partial wages in the complementary currency. The currency has been in circulation since 1991, and the system was incorporated as a nonprofit organization in 1998. Today it is administered by a board of elected volunteers. Ithaca HOURS circulate in denominations of two, one, one-half, one-fourth, one-eighth, and one-tenth HOURS (\$20, \$10, \$5, \$2.50, \$1.25, and \$1, respectively). The HOURS are put into circulation through “disbursements” given to registered organization members, through small interest-free loans to local businesses, and through grants to community organizations. The name “HOURS” evokes the principle of labor exchange and the idea that a unit of time is equal for everyone.⁴³



Figure 5: An Ithaca Hour Note

The anthropologist Faidra Papavasiliou studied the impact of the Ithaca HOURS currency system. She found that while the complementary currency does not necessarily create full economic equality, it does create deeper connections among community members and local businesses, helping to demystify and personalize exchange (much as we saw with the lobstermen and dealers).⁴⁴ The Ithaca HOURS system also offers important networking opportunities for locally owned businesses and, because it provides zero interest business loans, it serves as a form of security against economic crisis.⁴⁵ Finally, the Ithaca HOURS complementary currency system encourages community members to shop at locally owned businesses. As we will see in the next section, where we choose to shop and what we choose to buy forms a large part of our lives and cultural identity. The HOURS system demonstrates a relatively successful approach to challenging the inequalities fostered by general purpose money.

CONSUMPTION AND GLOBAL CAPITALISM

Consumption refers to the process of buying, eating, or using a resource, food, commodity, or service. Anthropologists understand consumption more specifically as the forms of behavior that connect our economic activity with the cultural symbols that give our lives meaning.⁴⁶ People's consumption patterns are a large part of their lives, and economic anthropologists explore why, how, and when people consume what they do. The answers to these questions lie in people's ideologies and identities as members of a social group; each culture is different and each consumes in its own way. Consumption is always social even when it addresses physical needs. For example, all humans need to eat, but people around the world have radically different ideas of what foods and flavors are most desirable and appropriate.

We use our material possessions to meet our needs (for example, we wear clothing to protect us from the environment), regulate our social lives, and affirm the rightful order of things.⁴⁷ Anthropologists understand that the commodities we buy are not just good for eating or shelter, they are good for *thinking*: in acquiring and possessing particular goods, people make visible and stable the categories of culture.⁴⁸ For example, consumption helps us establish and defend differences among people and occasions: I might wear a specific t-shirt and cap to a baseball game with friends in order to distinguish myself as a fan of a particular team. In the process, I make myself easily identifiable within the larger fan

community. However, I probably would not wear this same outfit to a job interview because it would be inappropriate for the occasion.

Economic anthropologists are also interested in why objects become status symbols and how these come to be experienced as an aspect of the self.⁴⁹ Objects have a “social life” during which they may pass through various statuses: a silver cake server begins its life as a commodity for sale in a store.⁵⁰ However, imagine that someone’s great-grandmother used that server to cut the cake at her wedding, and it became a cherished family heirloom passed down from one generation to the next. Unfortunately, the server ended up in the hands of a cousin who did not feel a sentimental attachment to this object. She sold it to a gold and silver broker for currency and it was transformed into an anonymous commodity. That broker in turn sold it to a dealer who melted it down, turning the once cherished cake server back into a raw material.

Transforming Barbie Dolls

We have already learned about the hard work that Americans devote to converting impersonal commodities into sentimental gifts at Christmastime with the goal of nourishing their closest social bonds. Consumers in capitalist systems continuously attempt to reshape the meaning of the commodities that businesses brand, package, and market to us.⁵¹ The anthropologist Elizabeth Chin conducted ethnographic research among young African American children in a poor neighborhood of New Haven, Connecticut, exploring the intersection of consumption, inequality, and cultural identity.

Chin specifically looked at “ethnically correct” Barbie dolls, arguing that while they may represent some progress in comparison to the past when only white Barbies were sold, they also reinforce outdated understandings of biological race and ethnicity. Rather than dismantling race and class boundaries, the “ethnic” dolls create segregated toy shelves that in fact mirror the segregation that young black children experience in their schools and neighborhoods.

The young black girls that Chin researched were unable to afford these \$20 brand-name dolls and typically played with less expensive, generic Barbie dolls that were white.⁵² The girls used their imaginations and worked to transform their dolls by giving them hairstyles like their own, braiding and curling the dolls’ long straight hair in order to integrate the dolls into their own worlds.⁵³ A quick perusal of the Internet reveals numerous tutorials and blogs devoted to black Barbie hairstyling, demonstrating that the young New Haven girls are not the only ones working to transform these store-bought commodities in socially meaningful ways.⁵⁴

Consumption in the Developing World

Consumption provides us with a window into globalization, which we will learn more about in the Globalization chapter. Over the past several decades, as global capitalism expanded its reach into developing countries around the world, many people fretted that the growing influx of Western products would lead to cultural homogeneity and even cultural imperialism. Some argued that with every McDonald’s constructed, the values and beliefs of the West were being imposed on non-Western societies. However, anthropologists have systematically challenged this thesis by providing a more sophisticated understanding of local cultural contexts. They demonstrate that people do not become Westernized simply by buying Western commodities, any more than I become somehow more Japanese after eating at my favorite neighborhood hibachi restaurant. In fact, anthropological research shows

that Western commodities can sometimes lead to a resurgence of local identities and an affirmation of local processes over global patterns.

The Children Cry for Bread

The anthropologist Mary Wesimantel researched how families adapt to changing economic circumstances, including the introduction of Western products into their indigenous community of Zumbagua, Ecuador. Once subsistence barley farmers, men from Zumbagua began to migrate to cities in search of work while the women stayed home to care for the children and continue to farm barley for home consumption. The men periodically returned home, bringing cash earnings and urban luxuries such as bread. The children associated this bread with modernity and city life, and they preferred to eat it rather than the traditional staple food of toasted ground barley, grown and cooked by their mothers. The children “cried” for the bread their fathers brought home. Yet, their mothers resisted their pleas and continued to feed them grains from their own fields because barley consumption was considered a core component of indigenous identity.⁵⁵ This example illustrates the complex negotiations that emerge within families and communities when they are increasingly integrated into a global economy and exposed to Western goods.

Consumption, Status, and Recognition among the Elite in China

In other parts of the world, the consumption of Western goods can be used to cement social and economic status within local networks. John Osburg studied the “new elite” in China, the class of entrepreneurs who have successfully navigated the recent transitions in the Chinese economy since the early 1990s when private businesses and foreign investment began to steadily expand their reach in this communist country.⁵⁶ Osburg found that the new elite do not constitute a coherent class defined by income level or occupation. Instead, they occupy an unstable and contested category and consequently rely on the consumption of Western-style goods and services in order to stabilize their identities.

Osburg argues that the whole point of elite consumption in Chengdu, China, is to make one’s economic, social, and cultural capital as transparent and legible as possible to the widest audience in order to let everyone know one is wealthy and well connected. Consequently, the Chengdu elite favor easily recognizable and pricey brand names. However, consumption is not simply an arena of status display. Instead, Osburg shows how it is a form of social practice through which relationships with other elites are forged: the shared consumption of conventional luxury objects like liquor and tobacco solidifies relationships among the privileged.⁵⁷

Commodities and Global Capitalism

In his 1967 speech “A Christmas Sermon on Peace,” the Reverend Martin Luther King, Jr. reminded us that all life is interrelated:

We are all caught in an inescapable network of mutuality, tied into a single garment of destiny. . . Did you ever stop to think that you can’t leave for your job in the morning without being dependent on most of the world? You get up in the morning and reach over for the sponge, and that’s handed to you by a Pacific Islander. You reach for a bar of soap, given to you at the hands of a Frenchman. And then you

go into the kitchen to drink your coffee for the morning, and that's poured into your cup by a South American. . . And before you finish eating breakfast in the morning, you've depended on more than half the world.⁵⁸

King's words are even truer today than they were in the late 1960s. Due to the intensification of global capitalism, the vast majority of the commodities we buy and the food we consume come to us from distant places; while such global supply chains are not new, they have become increasingly dense in an age of container shipping and overnight air deliveries.

Recall that a commodity is any good that is produced for sale or exchange for other goods. However, commodities are more than just a means to acquire general purpose money. They also embody social relations of production, the identities of businesses, and particular geographic locales. Many economic anthropologists today study global flows through the lens of a concrete substance that makes a circuit through various locales, exploring the social lives of agrifood commodities such as mutton, coffee, sushi, and sugar.⁵⁹ In following these commodities along their supply chains, anthropologists highlight not only relations of production but also the power of ideas, images, and noneconomic actors. These studies of specific commodities are a powerful method to show how capitalism has grown, spread, and penetrated agrarian societies around the world.⁶⁰

Darjeeling Tea

The anthropologist Sarah Besky researched Darjeeling tea production in India to better understand how consumer desires are mapped onto distant locations.⁶¹ In India, tea plantation owners are attempting to reinvent their product for 21st century markets through the use of fair-trade certification (discussed earlier in this chapter) and Geographical Indication Status (GI). GI is an international property-rights system, regulated by the World Trade Organization, that legally protects the rights of people in certain places to produce certain commodities. For example, bourbon must come from Kentucky, Mezcal can only be produced in certain parts of Mexico, and sparkling wine can only be called champagne if it originated in France. Similarly, in order to legally be sold as "Darjeeling tea," the tea leaves must come from the Darjeeling district of the Indian state of West Bengal.



Figure 6: Tea Workers in Darjeeling, India

Besky explores how the meaning of Darjeeling tea is created through three interrelated processes: (1) extensive marketing campaigns aimed at educating consumers about the unique Darjeeling taste, (2) the

application of international law to define the geographic borders within which Darjeeling tea can be produced, and (3) the introduction of tea plantation-based tourism. What the Darjeeling label hides is the fact that tea plantations are highly unequal systems with economic relationships that date back to the colonial era: workers depend upon plantation owners not just for money but also for food, medical care, schools, and housing. Even when we pay more for Darjeeling tea, the premium price is not always returned to the workers in the form of higher wages. Besky's research shows how capitalism and market exchange shapes the daily lives of people around the world. The final section of this chapter explores the ways in which economic anthropologists understand and question structural inequalities in the world today.

POLITICAL ECONOMY: UNDERSTANDING INEQUALITY

Humans are fundamentally social, and our culture is always shared and patterned: we live our lives in groups. However, not all groups serve the needs of their members, and some people have more power than others, meaning they can make the weak consent through threats and coercion. Within all societies there are classes of people defined by the kinds of property they own and/or the kinds of work they engage in.⁶² Beginning in the 1960s, an increasing number of anthropologists began to study the world around them through the lens of **political economy**. This approach recognizes that the economy is central to everyday life but contextualizes economic relations within state structures, political processes, social structures, and cultural values.⁶³ Some political economic anthropologists focus on how societies and markets have historically evolved while others ask how individuals deal with the forces that oppress them, focusing on historical legacies of social domination and marginalization.⁶⁴

Karl Marx famously wrote, "Men make their own history, but they do not make it as they please; they do not make it under self-selected circumstances, but under circumstances existing already, given and transmitted from the past."⁶⁵ In other words, while humans are inherently creative, our possibilities are limited by the structural realities of our everyday lives.

Consider a typical college student. Is this student happy with the courses her department or college is offering? Are there courses that she needs to graduate that are not being offered yet? She is free to choose among the listed courses, but she cannot choose which courses are available. This depends on factors beyond her control as a student: who is available to teach which topics or what the administration has decided is important enough to offer. So, her agency and ability to choose is highly constrained by the structures in place. In the same way, political economies constrain people's choices and define the terms by which we must live. Importantly, it is not simply structures that determine our choices and actions; these are also shaped by our community.

Just as our college student may come to think of the requirements she has to fulfill for her degree as just the way it is (even if she does not want to take that theory course!), people come to think of their available choices in everyday life as simply the natural order of things. However, the degree of agency one has depends on the amount of power one has and the degree to which one understands the structural dimensions of one's life. This focus on power and structural relations parallels an anthropological understanding of culture as a holistic system: economic relations never exist by themselves, apart from social and political institutions.

Structural Violence and the Politics of Aid in Haiti

Anthropologists interested in understanding economic inequalities often research forms of structural violence present in the communities where they work.⁶⁶ **Structural violence** is a form of violence in which a social structure or institution harms people by preventing them from meeting their basic needs. In other words, how political and economic forces structure risk for various forms of suffering within a population. Structural violence can include things like infectious disease, hunger, and violence (torture, rape, crime, etc.).

In the United States we tend to focus on individuals and personal experiences. A popular narrative holds that if you work hard enough you can “pull yourself up by your bootstraps” in this country of immigrants and economic opportunity. The converse of this ideology is victim blaming; the logic is that if people are poor it is their own fault.⁶⁷ However, studying structural violence helps us understand that for some people there simply is no getting ahead and all one can hope for is survival.

The conditions of everyday life in Haiti, which only worsened after the 2010 earthquake, are a good example of how structural violence limits individual opportunities. Haiti is the most unequal country in Latin America and the Caribbean: the richest 20 percent of its population holds more than 64 percent of its total wealth, while the poorest 20 percent hold barely one percent. The starkest contrast is between the urban and rural areas: almost 70 percent of Haiti’s rural households are chronically poor (vs. 20 percent in cities), meaning they survive on less than \$2 a day and lack access to basic goods and services.⁶⁸ Haiti suffers from widespread unemployment and underemployment, and more than two-thirds of people in the labor force do not have formal jobs. The population is not well educated, and more than 40 percent of the population over the age of 15 is illiterate.⁶⁹ According to the World Food Programme, more than 100,000 Haitian children under the age of five suffer from acute malnutrition and one in three children is stunted (or irreversibly short for their age). Only 50 percent of households have access to safe water, and only 25 percent have adequate sanitation.⁷⁰

On January 12, 2010, a devastating 7.0 magnitude earthquake struck this highly unequal and impoverished nation, killing more than 160,000 people and displacing close to 1.5 million more. Because the earthquake’s epicenter was near the capital city, the National Palace and the majority of Haiti’s governmental offices were almost completely destroyed. The government lost an estimated 17 percent of its workforce. Other vital infrastructure, such as hospitals, communication systems, and roads, was also damaged, making it harder to respond to immediate needs after the quake.⁷¹

The world responded with one of its most generous outpourings of aid in recent history. By March 1, 2010, half of all U.S. citizens had donated a combined total of \$1 billion for the relief effort (worldwide \$2.2 billion was raised), and on March 31, 2010 international agencies pledged \$5.3 billion over the next 18 months.⁷² The anthropologist Mark Schuller studied the aftermath of the earthquake and the politics of humanitarianism in Haiti. He found that little of this aid ever reached Haiti’s most vulnerable people, the 1.5 million people living in the IDP (internally displaced persons) camps. Less than one percent of the aid actually was given to the Haitian government. The largest single recipient was the U.S. military (33 percent), and the majority of the aid was dispersed to foreign-run non-governmental organizations (NGOs) working in Haiti.

Because so little of this aid reached the people on the ground who needed it most, seven months following the disaster 40 percent of the IDP camps did not have access to water, and 30 percent did not have toilets of any kind. Only ten percent of families in the camps had a tent and the rest slept under tarps or bedsheets. Only 20 percent of the camps had education, health care, or mental health facilities on-site.⁷³ Schuller argues that this failure constitutes a violation of the Haitian IDP’s human rights, and it is linked to a long history of exploitative relations between Haiti and the rest of the world.

Haiti is the second oldest republic in the Western Hemisphere (after the United States), having declared its independence from France in 1804. Years later, in order to earn diplomatic recognition

from the French government, Haiti agreed to pay financial reparations to the powerful nation from 1825 to 1947. In order to do so, Haiti was forced to take out large loans from U.S. and European banks at high interest rates. During the twentieth century, the country suffered at the hands of brutal dictatorships, and its foreign debts continued to increase. Schuller argues that the world system continually applied pressure to Haiti, draining its resources and forcing it into the debt bondage that kept it from developing. In the process, this system contributed to the very surplus that allowed powerful Western nations to develop.⁷⁴

When the earthquake struck, Haiti's economy already revolved around international aid and foreign remittances sent by migrants (which represented approximately 25 percent of the gross domestic product).⁷⁵ Haiti had become a republic of NGOs that attract the nation's most educated, talented workers (because they can pay significantly higher wages than the national government, for example). Schuller argues that the NGOs constitute a form of "trickle-down imperialism" as they reproduce the world system.⁷⁶ The relief money funneled through these organizations ended up supporting a new elite class rather than the impoverished multitudes that so desperately need the assistance.

CONCLUSION

Anthropologists have identified forms of structural inequality in countless places around the world. As we will learn in the Public Anthropology chapter, anthropology can be a powerful tool for addressing the pressing social issues of our times. When anthropological research is presented in an accessible and easily understood form, it can effectively encourage meaningful public conversations about questions such as how to best disperse relief aid after natural disasters.

One of economic anthropology's most important lessons is that multiple forms of economic production and exchange structure our daily lives and social relationships. As we have seen throughout this chapter, people simultaneously participate in both market and reciprocal exchanges on a regular basis. For example, I may buy lunch for a friend today with the idea that she will return the favor next week when she cooks me supper. Building on this anthropological idea of economic diversity, some scholars argue that in order to address the economic inequalities surrounding us we should collectively work to construct a community economy, or a space for economic decision-making that recognizes and negotiates our interdependence with other humans, other species, and our environment. J. K. Gibson-Graham, Jenny Cameron, and Stephen Healy argue that in the process of recognizing and negotiating this interdependence, we become a community.⁷⁷

At the heart of the community economies framework is an understanding of economic diversity that parallels anthropological perspectives. The economic iceberg is a visual that nicely illustrates this diversity.⁷⁸ Above the waterline are economic activities that are visible in mainstream economic accounts, things like formal wage labor and shopping for groceries in a supermarket. Below the waterline we find the wide range of people, places, and activities that contribute to our well-being. This conceptual tool helps us to explore interrelationships that cannot be captured through mechanical market feedback loops.⁷⁹

The most prevalent form of labor around the world is the unpaid work that is conducted within the household, the family, and the neighborhood or wider community. When we include these activities in our understanding of the diverse economy, we also reposition many people who may see themselves (or are labeled by others) as unemployed or economically inactive subjects.⁸⁰ When we highlight these different kinds of labor and forms of compensation we expand the scope of economic identities that fall

outside the narrow range valued by market production and exchange (employer, employee, or entrepreneur).⁸¹ Recognizing our mutual connections and the surplus possibilities in our own community is an important first step toward building an alternative economy, one that privileges community spheres rather than market spheres and supports equality over inequality. This also resonates with one of economic anthropology's central goals: searching for alternatives to the exploitative capitalist relations that structure the daily lives of so many people around the world today.⁸²

Discussion Questions

1. Why are the economic activities of people like the fair trade coffee farmers described in this chapter challenging to characterize? What benefits do the coffee farmers hope to achieve by participating in a fair trade cooperative? Why would participating in the global economy actually make these farming families more independent?
2. This chapter includes several examples of the ways in which economic production, consumption, and exchange link our lives to those of people in other parts of the world. Thinking about your own daily economic activities, how is your lifestyle dependent on people in other places? In what ways might your consumption choices be connected to global economic inequality?
3. General purpose money is used for most transactions in our society. How is the act of purchasing an object with money different from trading or gift-giving in terms of the social and personal connections involved? Would an alternative like the Ithaca HOURS system be beneficial to your community?
4. The Barbie doll is a product that represents rigid cultural ideas about race, but Elizabeth Chin discovered in her research that girls who play with these dolls transform the dolls' appearance and racial identity. What are some other examples of products that people purchase and modify as a form of personal expression or social commentary?

GLOSSARY

Balanced reciprocity: the exchange of something with the expectation that something of equal value will be returned within a specific time period.

Consumption: the process of buying, eating, or using a resource, food, commodity, or service.

Generalized reciprocity: giving without expecting a specific thing in return.

General purpose money: a medium of exchange that can be used in all economic transactions.

Homo economicus: a term used to describe a person who would make rational decisions in ways predicted by economic theories.

Means of production: the resources used to produce goods in a society such as land for farming or factories.

Mode of production: the social relations through which human labor is used to transform energy from nature using tools, skills, organization, and knowledge.

Negative reciprocity: an attempt to get something for nothing; exchange in which both parties try to take advantage of the other.

Political economy: an approach in anthropology that investigates the historical evolution of economic relationships as well as the contemporary political processes and social structures that contribute to differences in income and wealth.

Redistribution: the accumulation of goods or labor by a particular person or institution for the purpose of dispersal at a later date.

Structural violence: a form of violence in which a social structure or institution harms people by pre-

venting them from meeting their basic needs.

Subsistence farmers: people who raise plants and animals for their own consumption, but not for sale to others.

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