

Introduction to Cultural Anthropology: Class 13
Economic exchange embedded in social relations

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- In our culture, we assume that people are “**rational actors**” or “**rational maximizers**”
 - rational: behave in a logical sensible way
 - maximizer: intention is to maximize material gain
 - classical capitalist market theory assumes that
 - people have infinite wants and limited means
 - so they rationally allocate limited resources to alternative ends
 - in order to maximize the satisfaction of their needs
 - each actor intends to maximize his or her benefit in every exchange (or over a series of exchanges)
 - people are never satisfied, always striving for ever more gain
- Anthropologists say that this classical theory of exchange is not universal
 - this concept that people are “rational maximizers” is just an arbitrary social construct
 - even though it seems so normal and obvious to us
 - some people simply do not show unlimited wants
 - they act satisfied with what they have, and don’t bother to try for more
 - like the Ju’hoansi, or some people I met in Peru
 - other models of behavior are just as possible
 - “Rational comparative maximizer”: do enough to have slightly more than others, then stop
 - “Rational goal seeker”: do enough to satisfy certain goals, then stop
 - “Rational work minimizer”: do as little work as possible
 - “Irrational conformist”: do whatever others do, regardless of its effect on own needs
 - and many other models are possible...
- Economists respond that classical market theory *can* handle all of these alternative models
 - by saying that what people rationally maximize is not just material wealth, but “utility”
 - **utility** is the total of everything that a person values, including both material goods and non-material things
 - includes free time, sleep, liberty, friendship, sex, honor, “job satisfaction”, etc.
 - even the satisfaction of being a conformist
 - if we include the right things in “utility”, then maybe everyone really *does* strive to be a rational maximizer of all those complex values
 - example: someone chooses to work a low-paying, half-time teaching job
 - an economist might say that this person is still a rational maximizer
 - she simply values free time highly
 - and values the satisfaction of doing what she considers important work
 - so she is maximizing her overall utility
 - by getting less pay, but more free time and personal satisfaction
- but in practice, economists almost always focus only on material gain
 - non-material utility is too difficult to measure and model
 - so economists usually ignore it

- another problem with classical economic theory: people are not very good at actually maximizing utility, no matter how it is defined
 - people often make irrational decisions, swayed by emotion
 - make decisions based on insufficient information
 - overestimate immediate costs and benefits while underestimating future costs and benefits
 - are very poor at evaluating risk, etc.
 - that is, real people do not behave quite rationally
- Anthropologists suggest that classical economics has its place
 - obviously, a lot of exchange is really about getting needed items
 - but often, exchange is not really about “the stuff”
 - instead, exchange is often really about the social relationships
 - in which exchange is embedded
 - and which exchange creates, reinforces, changes, etc.
 - as Cronk says, not only are “strings attached” to many exchanges, but the strings are often the main point
 - illustrated with his discussion of “Indian giving” versus “white man keeping”
- Systems of exchange
 - **Market system**
 - exchanges are impersonal
 - supposedly calculated, rational
 - supposedly independent of social relations
 - “business is business”
 - value of goods set by supply and demand
 - exchanges usually (but not always) mediated by money (**currency**)
 - **Redistribution**
 - some portion of the goods, food, etc. that are produced is turned over to a central person or institution
 - traditionally expected gifts to a chief, like the first sack of yams in the harvest
 - tithes to a church
 - taxes to a government
 - that person or institution accumulates a considerable quantity of goods
 - and doles them out again to others
 - may serve as a safety net for farmers in bad years
 - may support specialists like priests, people who make fancy goods for the chief so he will look the part, police, tax collectors, etc.
 - this allows the chief, church, etc. to wield real power
 - because the central institution determines who gets what and how much
 - also because the chief, church, etc. can use some portion for their own ends
 - Harris notes that in its simpler forms, the central person gains only prestige and power, without getting any of the goods
 - as the central person or institution becomes more powerful, he/she can begin to skim off some of the goods for his/her own benefit
 - or to hire agents to persuade or coerce others

- **Reciprocity**: gift exchange; tit-for-tat exchange
 - **generalized**
 - everyone shares as a matter of course, it is expected
 - so sharing does not create a debt or a specific obligation
 - no expectation of specific, exact, or prompt repayment
 - although anyone who takes too much and gives too little will eventually face social sanctions
 - exchange is just a small part of the social relationship
 - as within a household, between spouses, and between parents and their children
 - or between members of a foraging band, like those of the Ju/'hoansi
 - where even thanking someone for something is considered rude
 - because it would imply that the transaction was unusual, or anything other than expected
 - **balanced**
 - the giver expects something more or less equivalent in return
 - the repayment is often delayed
 - establishing a relationship between the giver and the receiver
 - this is the form of reciprocity that people usually think of
 - **negative**
 - each expects to get greater value than they give
 - that is, each seeks to profit from the transaction
 - often, payment has to be immediate
 - because the parties do not really trust each other
 - each is trying to get the better of the other
 - the extreme case is theft
 - the thief intends to get something while giving nothing, or even while causing harm
 - this is still reciprocity: still an exchange
 - it still creates obligations and a social relationship
 - you steal from me, I return with my friends to beat you up, and so on
- These systems of exchange are not mutually exclusive
 - our society has all three systems
 - market exchange: our obvious money economy
 - redistribution: taxation and spending by the government, collection and use of donations by churches, etc.
 - reciprocity:
 - exchanges within families such as parents supporting their children, and children taking care of elderly parents
 - should be generalized reciprocity
 - holiday and birthday gift exchanges between kin and between friends
 - should be roughly balanced reciprocity
 - exchanges of favors, social invitations, etc. among friends and acquaintances
 - should be roughly balanced reciprocity

- Key idea: Economic exchanges are embedded in social relations
 - originally proposed by Marcel Mauss in his book “The Gift”
 - discussed by Cronk in “Strings Attached”
 - economic exchanges establish and maintain social relationships
 - often, the relationship is the main point, rather than the goods
 - as in exchanging birthday gifts with someone, year after year
 - another aspect of this idea: some economic relations may make sense only in terms of the social relations in which they are embedded
 - exchange of gifts, pay, favors, work, etc. is very different between friends, between parents and children, and between workers and their bosses
 - you can’t understand this economic exchange without understanding the social relations that surround it
 - “it’s not about the stuff”
- Classic examples of economic activities that make sense only in terms of the social relations in which they are embedded
 - **Kula ring** exchange among the Trobriand Islanders
 - Described in the Robbins extract for today and the optional reading by Malinowski (who did this classic research)
 - arm bands (*mwali*, or arm shells) are given as gifts in one direction around the ring
 - necklaces (*soulava*) are given as counter-gifts in the other direction
 - with moderately long gaps of time in between
 - the items have no practical value, but are very showy
 - they are individual, unique, named, with known histories of ownership by illustrious kula traders
 - they cannot normally be bought or sold for money or traded for other goods;
 - they are only suitable for giving as gifts to be recompensed with the corresponding other kind of item
 - giving them confers prestige by demonstrating generosity
 - receiving and holding them confers prestige by showing what good connections you have built up through social skills and effective trading
 - but holding them too long makes you look stingy
 - there is little or no practical reason for this economic exchange practice
 - but it is crucial for men’s (and a few women’s) pursuit of social status
 - point: kula exchange is all about prestige and social relations
 - the objects themselves are just pawns in that game
 - kula traders take difficult sea journeys and spend a lot of effort to maximize their fame as “players” in the kula, not their wealth
 - these ideas about prestige and the kula are completely arbitrary cultural constructs
 - but just as real and influential in Trobrianders’ lives as our arbitrary cultural constructs about endlessly seeking wealth are in our lives
 - **Moka**
 - Described in Robbins reading for today
 - Melpa of central highland Papua New Guinea

- this group is related to the Kapauku Papuan agriculturalists in the reading by Pospisil, who have a similar pig feast system
- men aspire to be “Big Men”
 - to be a Big Man, you have to prove yourself in warfare and in competitive gift-giving ceremonies called moka
- goal is to give more than you got, ideally to give more than the recipient can repay
- the exchanges go back and forth, escalating each time
 - I have corrected what I think was an editing error in the reading (Robbins, p 230)
 - the amount given and owed should ratchet up each time, as I have shown
 - in fact, the practice is not this mechanical, and is more complex, with smaller initiating gifts before each large, main gift, and so on
- since mobilizing enough goods (especially pigs) requires contributions from many people, each moka exercises a large number of social relationships
- maintaining not only the Big Man’s status, but also the whole network of kinship and alliances through many complex reciprocity relations
- this is clear at the moka itself, which is not a single big gift at all, but a collection of many gift exchanges
 - every contributor is named and his contribution counted out and displayed
 - many people besides the main recipient also get some of the goods, in highly formal, pre-arranged exchanges with much elaborate oratory to bring them to everyone’s attention
- Point: again, here is vast effort in production and exchange
 - but not for rational material gain
 - the purpose is not to maximize wealth
 - but rather, to maximize prestige that is gained by giving away wealth
- **Potlatch**
 - two different groups with different variants of this practices are described in your readings
 - both on Northwest coast of north America: Washington State and Canada
 - Harris describes potlatching as practiced by the Kwakiutl, now more correctly called Kwakwaka’wakw
 - their emic explanation was similar to that for moka: chiefs and their villages trying to outdo each other with generosity, crushing rivals with debt
 - Robbins describes potlatching among the Gitskan
 - their emic explanation involved individuals seeking to prove their worthiness to acquire a valued name by being more generous than others
 - in elaborate gift-giving ceremonies that indicated and reinforced the relative status of every important man in attendance
 - Harris’s article also covers other important concepts in economic anthropology
 - it is worth a careful, if skeptical, reading
 - Potlatch, or competitive feasting, as practiced among the Kwakwaka’wakw (Kwakiutl)
 - chiefs sought to prove that they were the most worthy to hold their positions, the greatest chiefs, better than their rivals
 - by giving away or even simply destroying more wealth than invited guest rivals could: blankets, boxes of fish oil, copper ornaments, etc.

- changed over time, with greater access to industrial trade goods... eventually tinware, enamelware, even a pool table
- the rival chief(s) and their people would take the gifts and prepare an even bigger potlatch to invite the first chief and his people to
 - to show that they could outdo him with even greater generosity and squandering of wealth
- Marvin Harris's explanation
 - Harris suggests that potlatching balances out variation in production by redistributing surplus
 - it gets everyone to work harder and produce more, creating a safety margin
 - as you know, Harris is an extreme cultural materialist
 - many anthropologists reject his explanation here as being excessively materialist
 - he argues that the desire for prestige
 - (the *emic* explanation that the Kwakiutl would use to explain why they practice potlatch)
 - was actually a result of economic circumstances
 - (an *etic* explanation proposed by Harris)
 - this is typical of Harris's cultural materialist viewpoint:
 - that infrastructure (the economic realities of life)
 - determines superstructure (in this case the ritualized, social, political practice of potlatch)
 - Harris also suggests that this kind of practice was the origin of complex, socially stratified societies
 - over time, there would be a progression...
 - from hard-working big men
 - like the Melpa who raise pigs for moka
 - to managerial (exploiting) chiefs
 - who skim enough to be wealthy and not work so hard...
 - eventually leading to kings and states
 - this may seem plausible, but remember that it is mostly hypothetical.
 - even when Harris talks as if he had been there to see it himself...
 - many anthropologists would say that this is a gross oversimplification, or even flat-out wrong
 - but even if so, the ideas he is playing with are worth understanding, if only to recombine them in different ways, in other contexts
 - Point: again, this is vast economic activity that makes no sense in classical economic theory
 - but it does make sense in the emic terms of seeking prestige
 - or in the more subtle evolutionary model proposed by Harris
 - those societies that produced extra wealth and spread it around in this way would survive better
 - so the seemingly irrational ideas (arbitrary cultural constructs about prestige, wealth, generosity, etc.) that led to potlatching would persist

– **Clientage and patronage**

- another kind of social relation created by economic exchange
 - a wealthy or powerful **patron** gives usually ongoing gifts, support, food, use of land, etc. to a less-wealthy **client**
 - example: a medieval lord allows peasants to farm on his land
 - example: an artist or craftsman supported by a rich patron
 - the **client** is never expected to be able to pay back the gifts of the **patron** in kind
 - so the client has to be subservient
 - paying back with loyalty, service, flattery, etc.
 - this is prone to lead to loss of dignity by the client, if not actual abuse
 - the social relations involved in this form of exchange have a profound impact on the lives of clients, and possibly of patrons
 - again: the “stuff” matters to the client, but a big, sometimes the main, aspect of this arrangement is the social relationship it establishes
- Carrier’s analysis of gift exchange as creating and recreating social relationships
- is laid out in Robbins reading for today
 - interesting ideas about gift exchange, illustrated by American Christmas gift practices
 - a gift only works as a gift if it is meaningful
 - “working” as a gift means that it helps to create or maintain a social relationship
 - to have meaning, or to work to establish or maintain a social relationship, a gift must be *connected* to the giver
 - a gift has to represent a personal sacrifice by the giver
 - giving up something connected to him or her
 - otherwise it is meaningless
 - and a meaningless exchange does not establish or maintain a social relationship
 - in Carrier’s terms, an object that is connected to someone is a **possession**
 - a possession is **inalienable**
 - it has a permanent connection to its owner
 - like something the owner made himself or herself
 - or worked hard to get, etc.
 - someone else can hold the object, but it is still connected to its owner
 - like a baseball signed by Willie Mays
 - I can buy it, but it is always Willie Mays’ signature, and that connection is what give the ball its value
 - a painting by Picasso
 - it is always a Picasso, no matter who owns it
 - a picture that you drew in kindergarten and gave to your mother
 - it is always connected to you, regardless of who owns it
 - a piece of jewelry that
 - you worked a long time to earn the money to buy,
 - and at least as importantly, you selected carefully to show your understanding of the recipient’s taste
 - like your inalienable rights

- you cannot sign them away or sell them
- they are inherently yours by virtue of your being human in our culture
- (despite recent laws to the contrary)
- a **commodity** is an **alienated** object
 - one that has no connection to its maker, owner, or anyone else
 - it can be bought and sold simply, with no social relations involved
 - commodification of American life:
 - reducing what used to be social relations to mere economic exchanges
 - like parents who pay children for household chores or good behavior
- Carrier argues that commodities have no meaning as gifts
 - they are ineffective at creating and maintaining social relations
- they have to be converted into possessions to work as gifts
- this process of converting a commodity into a possession is called **appropriation**
 - appropriation undoes alienation
 - appropriation connects a commodity to a person, changing it into a possession
 - ways that Americans appropriate commodities in order to give them as gifts
 - monogramming
 - wrapping
 - developing a history for the object (perhaps through catalog advertising copy), etc.
 - by selecting an object that embodies the giver's personal knowledge of the recipient's needs, tastes, personality, etc.
 - or perhaps by the arduous act of shopping for the perfect item
- why do many people go to all the trouble and expense of shopping and gift giving at Christmas?
 - in order to create and recreate relationships
 - through appropriation and gift exchange, money is converted into family ties