
UNIT 3 PRODUCTION, CONSUMPTION AND EXCHANGE

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Learning Objectives



Once you have studied this unit, you should be able to:

- understand the two main schools in economic anthropology and the fundamental differences in their approach to the study of economic systems in simple societies;
- describe the main socio-cultural characteristics of hunters-gatherers, pastoralists and intensive agriculturists; and
- define reciprocity, redistribution, market/market exchange, utilisation.

3.1 INTRODUCTION

Broadly, an economic system may be defined as the one by which goods are produced, distributed, exchanged and utilised or consumed. However, interpreting the same for other cultures is not that simple. There is always a natural inclination towards interpreting the cultures of others through our ethnocentric assertion which is guided by our own values, beliefs and rationality. Therefore, it is important to view economy not in isolation but as part of a larger whole, that is, an integral component of the culture of the people, adopting an emic (insider's) perspective. To cite an example, participation of a large number of community members in *jhum* (shifting or swidden cultivation) in Meghalaya (India) and its associated rituals and community feasting could be viewed as unsustainable, unnecessary, unproductive and a sheer waste of time by someone living in metropolitan cities like Mumbai or Delhi, where neighbours hardly interact or get to interact with each other. But the same practices, developed over generations and influenced by the particular ecological locale and the adaptive challenges faced by the particular community hold great relevance in their economic life.

In this unit, we will learn about some fundamental concepts of *economic anthropology*. Economic anthropology may be regarded as a subfield of cultural anthropology pertaining to the study of human economic systems, across different cultures. When we talk about economic systems, we generally deal with four important aspects: **production**, making goods or money; **distribution** or the allocation of the goods or money between different people, exchange, which refers to the transfer of goods or money between people or institutions; and **utilisation** or **consumption**, which involves the using up of goods or money.

3.2 MAIN THEORIES IN ECONOMIC ANTHROPOLOGY: A BRIEF OVERVIEW

Before going straight into the concepts of production, distribution, exchange and utilisation, it will be beneficial to have a broad overview of the main theories and schools of thought in economic anthropology, in order to have a better understanding of these concepts.

Till the 1920s, anthropologists did not pay much attention to the study of what later became ‘economic anthropology’ or the anthropological study of the working of economic systems in human society. The term ‘economic anthropology’ was coined by N.S.B.Gras (1927:10), an economic historian, who defined it as a ‘synthesis of anthropological and economic studies’ dealing with ‘the study of the ways in which primitive people obtained a living.’ Gras made a distinction between economic anthropology and ‘anthropological economics’. According to him, the latter, in contrast to the former, deals with the ‘study of the ideas that primitive people held about economic matters’. He strongly advocated greater research collaborations between anthropologists and economists, as in his view, ‘anthropologists could provide those in the economic field with facts in return for ideas and the fundamental issues involved in getting a living’ (1927:22). Despite his pioneering work, Gras did not have much impact upon later anthropologists working on economic systems.

Malinowski’s *Argonauts of the Western Pacific* (1922) is regarded as one of the pioneering works in this sub-field. The crux of Malinowski’s argument was that societies like that of the Trobriand Islanders did not fit the classic economists’ model. In such societies, the motive of economic activities was not confined to the satisfaction of material wants but embraced much more such as gains in terms of enhanced social prestige. Further the boundaries between economic activities and other aspects like religion were interlinked and overlapped. Malinowski’s ‘anti-economics’ (Honnigman, 1973) approach continued to profoundly influence anthropologists working in this sub-field till about the late 1930s and then made a reappearance as a basic tenet of the substantivist position of the 1950s.

A different perspective to the issue came about with the publication of some seminal works by Goodfellow (1939), Herskovits (1940) and Firth (1965a). This perspective is basically premised around the belief that anthropologists could stand to gain by studying certain attributes of conventional economics and putting them to application to the economies of simple societies. This evolved into what is known as the ‘formalist’ stance, which centres on the argument that the neo-classical model of economics based on the study of utility maximisation under conditions of scarcity, can be applied to any society, with appropriate modifications. The neo-classical model of economics views material behaviour as an organised way of using means to arrive at certain valued goals or ends. The assumptions are

that man is a self-interested and rational being and that land, labour and capital are scarce and productive components in the economy. According to Burling (1962), all human cultures are, therefore, a collection of 'choice making individuals whose every action involves conscious or unconscious selections among alternatives means to alternative ends', whereby the ends are culturally defined goals. Goals refer not only to economic value or financial gain but to anything that is valued by the individual, be it leisure, solidarity or prestige.

The 1960s witnessed a big controversy in economic anthropology owing to the conflict between the formalists and the substantivists. In the 'substantivist revolution' (Le Clair and Schneider, eds., 1968) of the 1950s, we see the reappearance of a new version of Malinowski's 'anti-economics' position, with substantivism advocating the non-applicability of conventional economic theory to the study of non-western, nonindustrial economies. The so-called substantivist revolution was heralded by the political economist Karl Polanyi in his famous work *The Great Transformation* (1944). According to Polanyi, there are two meanings of economy – the substantive, which refers to a category of observable behaviour, e.g., production, consumption, distribution; and the formal, which refers to the logic of rational choice. In his view, the logic of rational choice occurs only in modern market societies and not pre-market societies. In Polanyi's words (1944: 43), 'the outstanding discovery of recent historical and anthropological research is that man's economy, as a rule, is submerged in his social relationships. He does not act so as to safeguard his individual interest in the possession of material goods; he acts so as to safeguard his social standing, his social claims, and his social assets. He values material goods only in so far as they serve this end. Neither the process of production nor that of distribution is linked to specific economic interests attached to the possession of goods; but every single step in that process is geared to a number of social interests which eventually ensure that the required step be taken. These interests will be very different in a small hunting or fishing community from those in a vast despotic society, but in either case the economic system will be run on non-economic motives'. The works of Polanyi's successors like Sahlins (1965) and Dalton (1968) reinforced the substantive position that the economy is merely the process of provisioning society or the sociocultural system and that no social relation, institution, or set of institutions is economic but that it can only serve economic purposes.

Thus, it would not be wrong to state that till the early 1970s, the growth and evolution of economic anthropology has basically revolved around these two schools of thought- formalism and substantivism. On the one hand, there have been the formalists who seek to study social relations as concomitant to the process of resource utilisation. On the other hand, the substantivists have consistently argued that rational choice is only 'instituted' in the socio-cultural and political systems of capitalist societies, and that in other societies, economic behaviour is guided by non-economic principles.

The 1970s witnessed the influence of Marxian thought on economic anthropology. Scholars like Wolf (1982) highlighted the fact that European capitalist expansion had brought about remarkable transformation among traditional economies, which could no longer be studied in isolation, but in relation to the capitalist world systems. This perhaps holds even greater relevance in the present time of globalisation and a world order where market forces reign supreme.

There has also been the growth of other theories in economic anthropology such as culturalism propounded by Gudeman (1986). He argues that the central processes

of making a livelihood are culturally constructed. Therefore, models of livelihoods and related economic concepts such as exchange, money or profit must be analysed through the locals' ways of understanding them.

With this brief introduction to the basic theories of economic anthropology, we will now discuss in detail the concepts of production, distribution, exchange, utilisation and consumption, with examples from across the world.

3.3 KEY COMPONENTS OF AN ECONOMIC SYSTEM

Production refers to the process by which human beings transform, through their work, matter or natural resources into some goods, which is consumable or capable of being used to satisfy their need or want. Distribution is the process of allocation of goods between different individuals or groups while exchange helps an individual or group acquire particular products into which he/she wishes to convert the quantity allocated to him through distribution. Consumption, as the word indicates, refers to the use of the goods or services. As far as the inter-relationship between these components of an economic system goes, Marx (1904a: 274-75) provides a very apt description which is as follows: 'Production yields goods adapted to our needs; distribution distributes them according to social laws; exchange distributes further what has already been distributed, according to individual wants; finally, in consumption the product drops out of the social movement becoming the direct object of the individual want which it serves and satisfies in use. Production, thus, appears as the starting point; consumption as the final end; and distribution and exchange as the middle; the latter has a double aspect, distribution being defined as a process carried on by society, while exchange, as one proceeding from the individual'.

3.3.1 Production

Economic anthropologists, particularly the substantivist scholars, have generally displayed a tendency towards over-emphasising on the study of exchange processes and relations, with the result that study of production modes has not been accorded much priority. To cite Honnigman (1973), 'they do not analyse or theorise about the forces and relations of production or about the creation of commodities, but invariably restrict themselves to the circulation and destination of commodities already produced'. He further opines that Polanyi's tripartite scheme of reciprocity, redistribution, and market exchange presupposes production modes but does not link up with them; the social concomitants of transactional modes, not of production modes are of dominant concern to him and his followers.

In economic anthropology, production has been given its due importance by the Marxian anthropologists, with Marx emphasising on the centrality of production to the economy. According to Dalton (1961:6), Marx perceives the economy as a process of interaction between men and their environment, a process through which men as producers 'integrate the use of natural resources and techniques and assure continuous cooperation in the provision of material goods'. Also, according to Marx (1904a:11), the economic base or mode of production in every society is made up of two components: (i) the force of production, the physical and technological arrangement of economic activity, and (ii) the social relations of production, the interpersonal and intergroup relationships that men must establish with one another as a consequence of their roles in the production process.

To state in simple terms, production involves human-nature interaction, with human beings interacting with nature through the means of their culture to wrest their material means of existence. It is perhaps for this reason that Godelier (1967a: 259) argues that production embraces all kinds of production operations regardless of the specific societal context in which they are performed and that economies ranging from the very simple (hunting, gathering and fishing) to more advanced agricultural and industrial economies can be studied within the same analytical framework.

We would now be looking into the various modes of production ranging from the 'simple'-hunting, gathering and fishing, where human beings occupy and wrest from nature their sustenance without transforming it, to the more complex such as animal husbandry and followed by cultivation, which involves the transformation of nature. In the evolutionary scheme of society, cultivation and animal husbandry invariably appear after hunting, gathering and fishing (Lowie 1938:282). Production, for the purpose of simple societies, may be basically studied under the two heads: food collection and food production.

3.3.1.1 Food Collection

Food collection, encompassing the production strategies of hunting, fishing and gathering, refers to all forms of subsistence technology in which food is secured from naturally occurring resources such as wild plants and animals, without significant domestication of either. Food collection is the oldest survival strategy known to man. But in the present day, there are very few communities left in the world who are entirely dependant on hunting and gathering for livelihood such as the Australian aborigines, the Inuits living in the arctic regions of Canada, the Andamanese tribes like the Onge and Jarawa etc. However, a number of communities continue to practice hunting-gathering and fishing to supplement their nutrition from agriculture. For instance, in the state of Assam, many of the tribes such as the Karbis, Tiwas, Mishings, Rabhas etc. are experts in the art of fishing and hunting, which they practice in conjunction with agriculture.

While the study of exclusively hunter-gatherer communities may help us arrive at some understanding of man's life in the past, Ember and Ember (1994) cautions against the excessive use of contemporary observations to draw inferences about the past for a number of reasons. In their view, we must understand that the earlier hunter-gatherers lived in almost all types of environments, including some very bountiful ones and not like the contemporary ones who live mostly in marginal areas and, therefore, are not comparable. Moreover, the contemporary hunter-gatherers are not relics of the past and like us have evolved continuously. Nor in the past did hunter-gathering communities have the opportunity to interact with agriculturists, pastoralists, industrial/capitalist societies.

Contemporary hunters-gatherers live in a variety of geographical locations and climates but mostly in marginalised areas where agriculture is not feasible. Nevertheless, such groups seem to share a number of cultural attributes like the fact that most live in small groups in sparsely populated areas and adhere to a nomadic lifestyle. For them, the camp is the main center of daily activity and the place where food sharing actually occurs. According to Honigmann (1973), the hunter-gatherer society is egalitarian, does not recognise individual land rights and do not accumulate surplus foodstuffs, often an important source of status in agricultural societies. Such communities usually do not have a class system or specialised or full-time political officials. Division of labour is largely on the basis

of age and sex. Ethnographic and archaeological evidence indicate that with few exceptions, such societies generally have a sexual division of labour, where men hunt and usually do the fishing while women gather wild plant foods. Sahlins (1968) calls them the 'original affluent society' despite the fact that hunter-gatherers consume less energy per capita per year than any other group of human beings. According to Sahlins, ethnographic data indicates that hunter-gatherers worked far fewer hours and enjoyed more leisure than typical members of industrial society, and they still ate well. Their 'affluence' came from the idea that they are satisfied with very little in the material sense.

3.3.1.2 Food Production

The origins of food production began about 10,000 years ago in the Neolithic period when man took the first steps from merely utilising to transforming nature through the cultivation and domestication of plants and animals. Archaeological data indicate that various forms of domestication of plants and animals arose independently in six separate locales worldwide during the period from 8000 to 5000 BC, with the earliest known evidence found throughout the tropical and subtropical areas of southwestern and southern Asia, northern and central Africa and Central America (Gupta, 2010). According to anthropologists, on its own, the physical environment has more of a limiting rather than a determining impact on the kinds of subsistence choices made. For instance, according to Binford (1990), further away from the equator, food collectors depends much less on plants for food and much more on animals and fish.

Food production systems may be generally divided into three main kinds: horticulture, pastoralism and intensive agriculture.

i) Horticulture

The term 'horticulture', denotes a simple food production strategy involving the growing of crops using simple hand tools such as the digging stick and hoe, in the absence of permanently cultivated fields. Horticulture generally does not involve any efforts at fertilisation, irrigation, or other means to restore the fertility of the soil once the growing season is over. As far as the cultural attributes of horticulturist societies are concerned, land is generally owned by the community or kin groups.

Horticultural practices are generally of two kinds. The most common one is extensive or shifting cultivation also known as swidden or slash-and-burn (*jhum* in the Indian context). This method of horticulture involves the cultivation of a particular plot of land for a short time, followed by a long fallow period, when the land is left alone to regain its fertility. The process of preparation of a piece of land for shifting cultivation involves clearing the undergrowth and felling of trees which are then left to dry. Just before the seasonal rains are to begin, they are set afire. The ash is also supposed to rejuvenate the soil and immediately after the first shower of the season, a mix of crop seeds such as maize, gourd etc. are sown with the help of the digging stick. Generally, all adults are involved in food production, with a division of labour based on sex. This particular form of cultivation has been derided by many as a main reason for deforestation and decimation of forests, and a number of environmental problems stemming from it. In India, shifting cultivation continues to be widely practiced in many states of the North-East like Assam, Meghalaya etc. and there have been many policy initiatives to wean away communities from this practice.

The other form of horticulture pertains to the planting of long-growing tree crops such as coconut and banana, which after a few years, continues to yield crops for a number of years.

Most horticultural societies, according to Ember and Ember (1994), do not rely on crops alone for food but rely on a combination of subsistence strategies which includes hunting, fishing, the raising of domestic animals like pigs, chickens, goats etc.

ii) **Pastoralism**

Pastoralism is characterised by a heavy though rarely exclusive reliance on the herding of domesticated animals for a living. It is usually practised in areas not particularly amenable to agriculture such as grasslands and other semiarid habitats. A classic attribute of a pastoral society is mobility of all or part of the society as a normal and natural part of life. This mobility might be permanent (nomadism) or seasonal, which is referred to as transhumance. The reason behind the mobile nature of their lives lies in that fact that their territory, by necessity, has to be spread over a large area. Once their herds have grazed in an area to the maximum, it has to be left alone for the grass to renew and they have to move on in search of newer pastures. Pastoral communities are generally small in size. In India, for instance, the Bakarwals are a pastoral nomadic community inhabiting the high-altitude meadows of the Himalayas and the Pir-Panjal ranges. Every year, they take their sheep high into the mountains, above the tree-line to the meadows, which are reachable only after a long arduous journey.

Among pastoral nomads, grazing lands are generally held communally and a chief may be the designated owner of the land. According to Sneath (2000), pastoralist systems are commonly organised into patrilineal clans and lineages that function as corporate livestock owning units, with men being typically the owners of livestock wealth. There is sexual division of labour, with men being in charge of the herding, while women process the herd's products such as milk. Such communities, according to Ember and Ember (1994), often make agreements with settled agriculturalists about rights to graze unused fields or even to clear a harvested field of leftover.

While pastoralism has been an effective and sustainable economic strategy in resource-poor environments, it could lead to overexploitation of the environment when outside forces constrict the available space.

iii) **Intensive Agriculture**

Intensive agriculture enables human beings to cultivate fields permanently by adopting a variety of techniques. It involves the use of fertilizers, both organic such as cow dung and inorganic chemical fertilisers, the use of technologies ranging from the humble plough to the tractor and could also incorporate complex systems of irrigation and water control. Societies practicing intensive agriculture generally have individual ownership of land. Such societies are also likely to be characterised by a higher degree of economic specialisation, more complex political organisation, and disparities in the distribution of wealth and power among different sections of the society. The basic unit of production is the family and division of labour takes place according to gender and age. Women in such a society have a number of duties associated with the food processing stage but they also spend a lot of time in the fields. In fact, apart from ploughing which is a taboo in many communities of rural and tribal India, women have an important role in intensive agriculture,

particularly wet paddy cultivation, including planting of seedlings in nurseries, transplanting them to flooded fields, weeding, harvesting etc.

While most intensive agriculturists particularly in countries like India live at subsistence level, with the produce barely enough to cater to their own needs, others have increasingly grown crops as surplus for the market. In fact, following the Green Revolution of the 1960s, farmers in the state of Punjab in India grew increasingly more to cater to the market. Contemporary Indian agriculture is also characterised by the increased trend of farmers, motivated by the market, to grow more cash than food crops. Such a trend coupled with the fact that intensive agriculturists may rely more often on single crops, subject to the vagaries of the weather, could result in food shortage.

3.3.2 Distribution and Exchange

Distribution and exchange has consistently remained the central focus of anthropologists interested in the study of economic systems and their working in society. While being closely related concepts, the main point of distinction between the two is that while distribution determines the proportion of total output that the individual will receive, exchange determines the specific products into which the individual wants to convert the share allocated to him by distribution (Honigmann 1973). He further opines that distribution implies a reward system in which produce is channeled out among individuals or groups by reason of their control over the factors of production or for the labour they expended in the productive process. Exchange, on the other hand, refers to the various processes by which goods (and services) move or are being transferred between individuals or groups, as, for example, between producer and consumer, buyer and seller, donor and recipient. Firth's (1965a) work among the Tikopia is a seminal study on distribution. In his view, every society has explicit or implicit norms on how the total pool of products is to be shared among its members and that these norms are geared to address the issue of division of a joint product and the compensation of the factors of production, especially labour. His observation of the principles of distribution in the Tikopia economy, which hold equal relevance for many pre-industrial economies, led him to certain conclusions. According to him (1965a:313), there is a 'definite concept that all participants in a productive activity should receive a share of the product, but that social considerations do not make it necessary for this share to be exactly proportionate to the contribution in time, labour, or skill that each individual has made'. Such inequalities in terms of allocation are particularly evident in tribal and peasant societies, where social and/or political achievement entitles some individuals to more than an equal share of material reward. Sahlins' (1968) study indicates that despite these 'inequalities' in distribution, the relationship between a chief and the followers in most tribal societies is not exploitative in nature but based on the principle of generalised reciprocity (we will come to it later in our discussion).

Now, we shall discuss the 'action, or act, of reciprocal giving and receiving' (Gregory, 1998) or exchange. According to Commons (1954), the concept of exchange, from the anthropological viewpoint, embraces two distinct kinds of transfer events: physical transfers and jural transactions. While the former involves locational movement and physical control; the second involves the transfer of culturally defined ownership and use rights. It is the latter aspect which has aroused the interests of anthropologists from the very beginning.

Significant understanding on exchange and the motives for it came from Malinowski's (1922) work on trade and gift giving among the Trobriand Islanders and Mauss's classic essay *The Gift* published in 1922. Malinowski studied the ceremonial exchange system- the *Kula* ring spread over eighteen island communities of the Massim archipelago, including the Trobriand Islands and involved thousands of individuals. Members of the *Kula* ring travelled long distances by canoe to exchange *Kula* items - red shell-disc necklaces (*veigun* or *soulava*) traded to the north in clockwise direction and white shell armbands (*mwali*) traded in the southern or counter clockwise direction. If the opening gift was an armshell, then the closing gift must be a necklace and vice versa. Malinowski (1922: 177) came to the conclusion that exchange among Trobrianders was better seen as a social act than a transmission of useable objects. Exchange, in his view, did not result in economic gain; quite the contrary, it represented a superiority of the giver over the receiver and placed a burden upon the receiver. Similarly, the basic argument of Mauss's essay is that gifts are never free and that they always give rise to reciprocal exchange. According to Gregory (1998), an important notion in Mauss' conceptualisation of gift exchange is 'inalienability' or the fact that the object is never completely alienated from giver; hence, the act of giving creates a social bond with an obligation to reciprocate on part of the recipient. To not reciprocate means not only loss of honour and status, but may also have spiritual connotations in some societies.

Later on, Polanyi and a group of scholars (eds., 1957) tried to distinguish between two kinds of processes involved in exchange among simple communities- goods-handling and goods- receiving, and raised a number of pertinent questions: 'Who passed on goods to whom, in what order, how often, and with what response among those listed under whom?' Based on the answers arrived at after analysing a number of ethnographic cases, they identified three kinds of exchange: (1) reciprocative sequence among fixed partners; (2) redistributive sequence between a central actor and many peripheral actors; (3) random market sequence (1957: vii-ix). In a later work, Sahlins (1965b) reduced these three kinds of exchange into two broad types: (1) 'reciprocity' or 'vice-versa' movements between two parties and (2) 'pooling' or 'redistribution' involving collection from members of a group, and redivision within this group. We will now try to understand the concepts of reciprocity and redistribution with a few ethnographic examples. We will also spend some time understanding market exchange, as in today's monetised economy, almost all societies of the world are coming within its ambit.

i) **Reciprocity**

Reciprocity constitutes the main basis of exchange in most non-market economies. According to Sahlins (1965b:145-49), reciprocity may be defined into three types based on the criterion of the stipulation of material returns, which are as follows:

- a) **Generalised reciprocity**, involving unstipulated reciprocation, is gift giving without consideration of any immediate or planned return. In such a case, the value of the gift is not calculated and the time of repayment not specified. Such type of reciprocity generally occurs only among close kin or people sharing close emotional bonds such as between parents and children, between siblings, close friends etc.
- b) **Balanced or Symmetrical reciprocity** occurs when someone gives to someone else, expecting a fair and tangible return - at a specified amount, time, and place (Bonvillian, 2010). Here, the exchange occurs owing to the

desire or need for certain objects. Giving, receiving and sharing constitute a form of social security and according to Honigmann (1973), it promotes an egalitarian distribution of wealth over the long run. While generally practiced among equals who are not closely related, balanced reciprocity principles may also be evident in gift giving among kin. To cite a particular example, among relatives in many parts of India, it is common practice for kin to give valuable items and even monetary contribution when a relative's daughter is being married off. The implicit expectation being that when their own daughter is married off, similar contributions could be expected from the receivers.

Sometimes there is a fine line between generalised and balanced reciprocity particularly gift giving in urban society, where though it might appear to be generalised reciprocity, there may be strong expectations of balance. For instance, two families residing in the same neighbourhood in Delhi may try to exchange gifts of fairly equal value, say based on calculations of what last year's Diwali gift's cost.

While balanced reciprocity generally operates on egalitarian principles, it could also take on a competitive form. Normally, it might be a means for villagers to 'bank' surplus food by storing up 'social credit' with fellow villagers by giving feasts, with the expectation that the credit will be returned. But affluent villagers might use this mechanism to enhance their social status by throwing lavish feasts and giving costly gifts. This seems to be the primary objective of chiefs among many Native American groups of the Northwest coast in holding a *potlatch* (ceremonial festival), where he would give away gifts, food and even destroy items of value in a spirit of competition with rival chiefs .

- c) **Negative reciprocity** is the exchange of goods and services where each party intends to profit from the exchange, often at the expense of the other (Bonvillian, 2010). Practiced against strangers and enemies, it could range from barter, deceitful bargaining to theft, and finds social sanction among many societies. For instance, among the Navajo, to deceive when trading with foreign tribes is considered morally acceptable (Kluckhohn, 1972). Barter is believed to fall within the realm of negative reciprocity, as it is a means by which scarce items from one group are exchanged for desirable goods from another group. According to Honigmann (1973), relative value is calculated and despite an outward show of indifference, sharp trading is more the rule.

While talking about the kinds of reciprocity, Sahlins (1965b: 149-74) points out that reciprocity leans toward generalised extreme on the basis of close kinship and that it moves towards the negative extreme in proportion to a diminution in kinship propinquity, and that it varies with other factors such as social rank, relative wealth and need, and type of goods.

ii) **Redistribution**

Redistribution refers to a kind of economic exchange characterised by the accumulation of goods (or labour), with the objective of subsequent distribution within a social group according to culturally-specific principles. While, redistribution exists in all societies within the family where labour or products or income are pooled for the common good, it emerges as an important mechanism in societies with political hierarchies. In the latter, it requires a centralised political mechanism to coordinate the collection and distribution of goods. While it serves as a mechanism for dispensing goods within a society, it could also be a means for a chief to

consolidate his political power and gain in prestige. This seems to be an objective of the *potlatch* where chiefs compete with each other to give away and destroy goods of value.

In less centralised societies that do not have formal chiefs, the economic entrepreneur or the 'big man' may carry out such acts. In modern market economies, redistribution takes place through taxation by the state, whereby resources are allocated back to individuals or groups within society, either through the provision of public services or directly through welfare benefits.

iii) Market/Market Exchange

In very broad terms, a market/ market exchange involves the buying and selling of goods, labour, land, rentals, credit etc. by persons, using an intermediary token of common exchange value. According to Honigmann (1973), such a two party market transaction could very well become a form of negative reciprocity, unless some sort of arrangement has been made to ensure at least an approach to balance. Although market exchange need not necessarily involve money, most commercial transactions, particularly nowadays do involve money (Ember & Ember, 1994). Again, while most of such transactions take place in a specifically designated market place, a market may exist without a designated physical place. This is more so in the contemporary world, where significant market transactions take place on the internet. On the other hand, in simple societies, a market place may signify much more than a place where economic transactions are performed. In rural and tribal India, even today, weekly *haats* or markets provide an opportunity for people to renew friendships, exchange local gossip, arrange marriages, while some may also have deep cultural significance. Reliance on the market and the use of general purpose money is increasing universally, with traditional subsistence giving way to commercialisation due to factors like demand, increased interaction with other societies etc. According to Plattner (1985), the substantivist stance in economic anthropology is rendered redundant in the context of markets in the present day. In his words, 'the pretense that theories of markets and marketing were irrelevant became less viable' in a world that increasingly resembles a market system. At the same time, according to Dilley (1992), over-simplistic notions of economic man as individual maximiser of economic value, as enunciated by the formalist position, have now receded in the face of theoretical criticism that such assumptions provide few convincing explanations of socio-economic status.

3.3.3 Utilisation or Consumption

The third component of the economic system following from production, distribution and exchange is utilisation or consumption. If we go by what Herskovits (1952: 298-309) says, then, utilisation has to be considered to be broader in scope than consumption. According to him, the process of utilisation involves two aspects: those leading to further production by employing the resources obtained as 'capital'; and those involving direct, immediate consumption to satisfy current wants.

While scholars like Dalton (1969) and Sahlins (1969) have been critical of extending the capital concept to pre-industrial societies, scholars like Firth (1965a) have argued that many simple societies do use capital in the economic process either as a productive asset or as a means of facilitating control over purchasing power; or as a fund for investment. However, the comparatively high liquidity or ease of convertibility of many goods in primitive and peasant economies from one use to another, creates problems in this. Firth (1965a: 237-38), for instances observes

that pandanus mats, on which the Tikopians slept, and bark cloth used for blankets and clothing, were also utilised in the manufacture of objects like canoes, troughs and sinnet cord, thereby serving both production and consumption purposes.

Coming to the issue of consumption in simple societies, a key concept is that of the consumption unit which is a kin-based income-pooling or household unit that typically incorporates males and females of varying ages and is found in all preindustrial societies (Lee 1969). According to Firth (1965a:33-35) and Epstein (1967:160-61), variation occurs in consumption within the unit, on the basis of status and occupational differences. For instance, in many poor rural households of India, men's consumption needs may get priority over that of women; on the other hand, an expectant mother might be given better nutrition than the other women etc. The patterned way in which a consumer in a simple or peasant economy makes his consumption decisions over time ultimately represents his standard of living.

3.4 SUMMARY

From the above unit, we have thus learned that an economic system in simple societies cannot be studied in isolation but must be understood as part of the larger culture. Production, distribution, exchange, utilisation and consumption are not dependant only on pure economic gain, but on a host of social factors. The formalist school in economic anthropology led by scholars like Raymond Firth believes that anthropological studies of economic systems could benefit from the application of the neo-classical model of economics based on the study of utility maximisation under conditions of scarcity, with appropriate modifications. However, substantivists led by Karl Polanyi firmly maintain that conventional economic theory cannot be applied to the study of non-western, non-industrial economies. While this remains one of the enduring debates on the study of economic systems, it needs to be borne in mind that the modern world is a global village and simple societies are increasingly experiencing the impact of globalisation and the market economy. Modern day anthropologists going to study such societies are bound to encounter situations where many of their notions gleaned from books and theories might be challenged. But it is for them to rise to the occasion, document and maybe, propound new theories on the changes occurring in simple economies under the impact of modernisation and the market.

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Sample Questions

- 1) What are the two main schools in economic anthropology? What are the fundamental differences in their approach to the study of economic systems in simple societies?
- 2) What are the main socio-cultural attributes of hunters-gatherers, pastoralists and intensive agriculturists?
- 3) What is the primary motive, according to anthropologists, for exchange in simple societies? Elaborate with examples.
- 4) Is consumption different from utilisation? Do simple societies have the concept of 'capital'?

