

K.P. April 1961

[Dalton & Bohannan]

# ANTHROPOLOGY AND ECONOMIC DEVELOPMENT<sup>1</sup>

Stat  
Is this a historical review?  
"What makes it so difficult for an advanced country to appraise properly the industrialization policies of its less fortunate brethren is the fact that in every instance of industrialization imitation of the evolution in advanced countries appears in combination with different, indigenously determined elements. . . [What can be derived from a historical review is a strong sense for the significance of the native elements in industrializations of backward countries.]"<sup>2</sup>

At the time we were trying to separate the two. A  
As early as 1921 and as recently as 1960 in this JOURNAL,

anthropologists have called attention to the economics of primitive

communities. <sup>3</sup> They assert Their point is that economists may gain useful

insights from <sup>the</sup> analysis of primitive <sup>ies</sup> economic ~~organization~~. Malin-

owski's particular theme is that the economist's ~~generalizations~~

~~indeed, his Marshallian apparatus~~ <sup>the</sup> does not seem to fit primitive

economy; that orthodox price theory <sup>is</sup> ~~seems~~ incapable of explaining <sup>the</sup>

~~the~~ ~~essential principles of primitive economic organization.~~ <sup>proposition</sup> Sadie's

~~what~~ <sup>was</sup> is that ~~the crucial factors which~~ <sup>what</sup> ~~inhibit~~ African economic

development are the attitudes and values regarding <sup>the</sup> ~~economy~~ <sup>which are</sup> ingrained

<sup>an assertion</sup> in indigenous ~~cultural and social organisation,~~ ~~these~~ reiterated

by other writers familiar with ~~domestic~~ developmental projects and

Favor pp 1-18 as a unit. Vol 19-36 as a separate paper

④  
areas.

It is understandable that Malinowski's views did not bestir economists in 1921. The ~~curious~~ economic habits of the natives were & not then related to any matter of concern to theoretical or applied economics. Neither <sup>the study of</sup> comparative economic organisation nor <sup>the problem of the</sup> underdeveloped areas transformation were then within the orbit of <sup>academic</sup> professional economics. But this is no longer so.

If the economist's concern is to set out the ~~economic~~ <sup>Conditions</sup> ~~requisites for~~ development with the intent ~~and~~ of easing or <sup>economic growth</sup> accelerating such transformation, <sup>he should</sup> ~~surely it is necessary to~~ know about indigenous economic organization and performance. <sup>For what</sup> ~~What~~ the peoples of underdeveloped areas start with <sup>necessarily</sup> influences the direction, speed and cost <sup>the</sup> of development. And with few exceptions, <sup>⑤</sup> ~~heretofore~~ <sup>hitherto</sup> it has been the anthropologist alone who concerned himself with what Rostow has called traditional society. <sup>⑥</sup> However, even Rostow's admirable book <sup>describes</sup> ~~portrays~~ traditional society as <sup>the snipe</sup> ~~simply~~ ~~the~~ absence of the technological, economic and social requisites for sustained growth. What the forms of traditional economic



organisation are that must be displaced, he does not tell.

~~Part of~~ The complexity of development follows from the the (out of the primitive state)

need to fulfil simultaneously two related but different sets of

conditions, one of them institutional, the other the form which

specific inputs and outputs must take. The first is the creation

of economy-wide ~~formation of~~ market institutions and dependence:

labor, land, money, capital (and outputs) markets must ~~be made~~

the dominant mode of acquiring livelihood, i.e., the dominant

mode of allocating resources, incomes and products. The second

is the acquisition of specific tools and skills strategic for

output growth, such as capital goods and a labour force trained

to use them.

The creation ~~ing~~ of market institutions has not been a concern

of economic theory. Price, distribution, income and growth

theory are only once ~~begin to be~~ applicable ~~only when~~ the institutional structure

of market exchange already exists. Neither Marshall nor Keynes

had to cope with the non-Euclidean universe, so to speak, of

economies in which gift exchange, bridewealth and cattle worship

were ~~important~~ components.

Q: How did they envisage a centralized planned economy?

XX) Primitive "institutions" to the mkt-system seems arbitrary.

Actually mixed is market-driven. The latter non-market institutions occur in the power & transportation and "institutions" fields.

It seems to me that the institutional sphere too narrowly formulated. Needs to be broadened of explained, or at least explicitly stated.  
But what about Adam Smith, Walras or Keynes?  
X

There are two general aspects of primitive economy which will be described from the viewpoint of <sup>the</sup> ~~Western~~ <sup>xxx)</sup> concern with underdevelopment. (1) That there exist ~~widely~~ <sup>the</sup> in primitive

economy structures and processes the ~~principles of those~~ operation <sup>of which is</sup> ~~are~~ <sup>that</sup> markedly different from ~~those~~ dominant in the West.

(2) That ~~seemingly familiar~~ <sup>apparently</sup> devices and processes <sup>that appear familiar to the West</sup> - market places, prices, external trade, money -- <sup>here</sup> are organized differently and <sup>apparent</sup> serve purposes different from their counterparts in Western economy.

#### PRIMITIVE SPHERES OF TRANSACTION AND PRINCIPLES OF INTEGRATION

Capitalism, or <sup>more precisely</sup> ~~better~~ market economy, as a type of <sup>economy</sup> ~~economic~~ system <sup>is</sup> distinguished by the wide range of ~~factor~~ resources, products and services capable of being purchased for a money

price. In this sense the economy is "unigentric" because ~~all~~ <sup>relevant</sup> many different items are made commensurable <sup>by their</sup> ~~in~~ entering the same transactional centre of market exchange. Put differently, as

consumers and producers most people depend for their livelihood on market purchase and sale. Indeed, <sup>that is part of orthodox</sup> Marshallian theory ~~is such~~

<sup>reduces itself to</sup> an elaborate analysis of price mechanics because of the integrative <sup>precisely</sup> role which market-made prices plays in resource, income and output

\*) why exclude the Austrians? Menger, Wieser, etc.  
Böhm-Bawerk, Schumpeter,

xxx) This qualification is implied as it is here introduced sooner. perhaps be

xxx) One transactional is implied as it is here introduced as the theoretical problem seems to have been avoided.



The "transactional" semantics is of all ~~exchange or catallactics~~ the most ~~importantly~~ <sup>5</sup> ~~market~~ terminologies the most allocation, intensely exchange based.

In contrast, a ~~typical~~ primitive economy may be called

"multicentric" because of the simultaneous existence of several ~~institutional~~ <sup>institutions</sup> ~~all appropriation~~ <sup>which are</sup> centres or spheres of ~~transaction~~ <sup>each</sup> marked off by a special set of goods or services peculiar to it, and ~~for some~~ <sup>they</sup> appropriated in ~~ways~~ <sup>ways</sup> <sup>9</sup> by different ~~principles~~ <sup>appropriation</sup>. Let us call the exchange or disposition of items within a sphere, "conveyances," and those <sup>occurring</sup> between spheres, "conversions." <sup>10</sup> We can then point out some distinguishing characteristics of primitive economy.

(i) Material Goods  
Factor ingredients, produced outputs and services, as

well as such ~~things~~ intangibles as honorific titles, rights to songs and dances, and, indeed, rights in people, <sup>appropriated</sup> may be trans-acted in different spheres within the same society. <sup>11</sup> Both the <sup>approved</sup> ~~approved~~ manner of appropriation and the <sup>approved</sup> ~~permissible~~ principle of their transaction and the ~~permissible~~ items for which any one of them ~~may~~ <sup>specifically</sup> be exchanged, are ~~carefully~~ structured.

Patterns of appropriation  
(ii) There seem to be three ~~transactional~~ principles each distinguished by several features the most prominent of which is the social obligation which induces the ~~transaction~~ <sup>exchange</sup>: reciprocity

*instituted*  
 consists of ~~obligatory~~ gift- and counter-gift giving ~~induced by~~  
 practiced by symmetrical pairings or groupings of socially-defined  
 parties, ~~to the transaction~~. Typically, it is kinship or friend-  
 ship which structures such gift-giving. ~~Because reciprocal~~

*appropriation is embedded in institutions that express*  
~~transactions express~~ social relationship there is usually a

marked absence of haggling. Rather the opposite seems to be  
 the case. It is convention, etiquette and noblesse oblige which  
 decide the quantity, quality, ~~and~~ frequency and timing of <sup>the</sup> gifts  
 exchanged. *or the* ~~and~~ mutual assistance offered.

*instituted*  
 Redistribution consists of ~~obligatory~~ payments of goods and  
 services to some socially recognized central personage, *or body*, usually  
 king, chief or *Temple, which* ~~priest, who~~ distributes portions of what he <sup>is</sup>

receives to provide community services (such as defense) ~~and~~  
*or status rewards.* ~~to reward outstanding individuals.~~ The *center may have* ~~central figure~~ usually

~~has~~ <sup>it</sup> rights of bestowal of property vested in ~~him~~ in the name of  
 the community, *such as land*. Once again, it is the *instituted* ~~social ties~~

between he who pays and he who receives which induces the payments  
*establishes* and ~~decides~~ the right to receive, ~~counter services~~. A common

variant of redistribution is the *instituted* ~~obligatory~~ performance of



community services by socially defined groups, such as age-grade obligations to repair roads or clear fields for planting. (12)

*Pattern of appropriation*  
The third ~~transactional~~ principle, market exchange, is different from the other two because of the absence of social obligation between the persons conducting the exchange. <sup>ing</sup> Market purchase and sale appears so peculiarly economic--induced by material self-gain or utility--precisely because the parties to the transaction <sup>8)</sup> share no social relationship which obliges them to engage in goods exchange. (13)

(iii) What should bear emphasis in differentiating between *in the primitive economies* primitive economy and our own is that market exchange is only of peripheral importance compared to reciprocity and redistrib-

ution; <sup>14)</sup> the bulk of material livelihood is not received through

*- purchase;* market sale of factors or products. It is typical that all

*patterns of appropriation side by side*  
three transactional principles operate simultaneously in the same primitive economy. <sup>15)</sup> Which are the more important ones

is indicated by how <sup>the</sup> basic factor resources of land and labor are *appropriated* transacted and how the major portion of subsistence liveli-

hood is acquired. Indeed, the same is true for our own economy

*1) the term 'transaction' appears here appropriate and self-defined.*

except that the relative importance of market exchange compared  
 to reciprocity and redistribution is different. <sup>(4)</sup> With us,  
 market exchange is dominant, most people receiving their subsist-  
 ence income from market sale of labor or resources, and buying  
 most of the goods they use on markets. Redistribution occurs  
 through governmental taxation and spending both for traditional  
 purposes such as defense, as well as the more recently added  
 full employment maintenance, welfare services, and growth.  
 With us, reciprocity is a peripheral form <sup>?</sup> whose gift-giving  
 on birthdays and at Christmas time seems hardly economic at all  
 because of the ~~social occasions and relationships~~ which induce *the*  
~~such gift transfers~~; and, indeed, because few depend for liveli-  
 hood on such gift receipts. But in many primitive societies,  
 gift-giving is a <sup>vital</sup> ~~crucial aspect of~~ <sup>to</sup> production, especially in  
 the allocation of labor services. With us, it survives as an  
*feature in* ~~aspect of~~ production only in the family farm or firm, and even  
 here not unmixed with market aspects.

(iv) Production in <sup>the</sup> primitive economy is different from its

Western counterpart for two reasons. The absence of purchased

the abundance of tools  
 these new terms  
 make for family  
 semiautonomous



factors of production (including machinery), and of dependence on market sale for livelihood means that the constraints imposed on Western producers by the larger economy are absent in primitive economy. Primitive production is not sensitive to ~~factor~~ costs and product prices because <sup>almost</sup> factors are not purchased and <sup>most</sup> products are not sold. There can be no "economizing" in the Western sense, because there are no price <sup>elements</sup> ~~criteria~~ formed in the larger economy in response to which production decisions are made in Western economy.

The absence of markets and machines is related to a matter whose importance cannot be overemphasized: that the social integument pervades, directs and constrains primitive economy in all its major parts. The reason why such can be the case is precisely that the larger economy does not dictate prices--or any other <sup>constraints</sup> ~~criteria~~--with which primitive producers have to conform.

It is because of the absence of such constraints that <sup>the</sup> production phase <sup>of the economic process</sup> ~~organisation~~ can be ~~so~~ expressive of indigenous social relationships and obligations. ~~It is~~ <sup>P</sup> physical environment and social organisation rather than economic or technological dependence

*here shape* *and their organisation.*  
~~which determine work organization of production groups.~~ Indeed,

all aspects of production--the allocation of ~~factor ingredients,~~ *resources,*

the arrangement of work and the ~~disposition~~ *sal* of what is produced *by*  
 reflect the ~~special~~ community relationships *in which the process of production is* ~~present.~~ *embedded.*

### SOCIO-ECONOMIC DEVICES AND PROCESSES

A matter of some importance concerns the presence of familiar  
 kinds of ~~devices~~ *traits* and usages in primitive economy--money, external  
 trade, market places--which are ~~sometimes mistaken~~ *easily taken* for functional  
 equivalents of similar ~~devices and usages~~ *elements* in our own economy. In  
 this connection, two points should be made clear.

*First*  
 Just ~~as~~ it would be incorrect to conclude that because the  
 Soviet economy ~~uses banks and prices~~ *comprises* their organisation and

functioning must be the same as our own, <sup>16</sup> so ~~too~~ would such the  
 conclusion be unwarranted *in regard to economic elements in* ~~for primitive devices and usages~~ which  
 resemble our own. Secondly, as in comparisons of ~~our own~~ *Soviet & Western* with

Soviet economy, the differences in organisation and purpose of *the*  
~~familiar devices~~ *resembling elements indicate* are indicators of ~~related to more basic~~  
 differences in the ~~integrative principles of the larger economy,~~ *patterns governing the* so

A closer examination of some primitive economic devices and

*Semantic:*  
*External trade - a device?*



processes will ~~illustrate the points.~~ *lead to a similar result.*

In considering the use of money in primitive economy two ~~errors~~ difficulties must be avoided. The first is to assume that the

distinction between money-less transactions and those carried *the help of* on with ~~money~~ *vital* must be a ~~useful~~ *useful* distinction. *(17)* The difficulty

here is that ~~The distinction between money-using and money-less~~ *parts of the economic process* ~~ignores~~ *pattern of appropriation* does not take into account the underlying ~~principle of the~~

*(the economic movement in question is* transaction; that is, whether it is a case of market exchange, *or in* *two* reciprocity or redistribution, *two pattern.* Any of the three may or may not

entail the use of money, and the simple distinction between *rather tends to cover up that more vital* money-using and money-less ~~does not tell us what kind it is.~~ *distribution.*

For example, in our own economy, we may use money to buy something

on a market, to pay taxes, and to give away as a gift. To lump

*the* all three ~~transactions~~ *use of money* together because they have in common the *appropriational pattern* use of money, is to obscure the essentially different ~~transactional~~ *principles, as well as the relationships between the transacting social* *ties involved.* ~~parties, entailed in each.~~

*mistake would be* A second difficulty is to assume that the ~~distinguishing~~ *universal*

*use* characteristic of money in primitive economy must be the same

as in our own: its use as a means of exchange. <sup>23</sup> ~~That the~~ *This fact*  
~~most important money use in Western economy is as a means of~~ *in regard to*  
~~exchange~~ *which here acts as an* is due to the price mechanism ~~being the~~ economy-wide  
~~form of integration.~~ *items elements of the economic process* All factors, products and services must be  
~~priced in money terms to make them commensurable and commodities.~~ *and capable of appropriation as*  
*However*  
~~But~~ even in market economy money is used for the additional  
 purposes of payment (taxes and fines), *and* as a standard for  
 accounting *as well as a* as a store of wealth.

Where economy-wide integration through market prices is  
~~absent,~~ *the universal use of* ~~money as a means of exchange is~~ *necessarily* absent, but money as  
 means of payment and as a standard for calculation may be  
 present:

"Since, however, money has also other functions and since  
 in many instances those functions are more important than  
 that of the medium of exchange, it seems to be unjustified  
 to use the term as a mere synonym for 'medium of exchange.' "

To understand the role(s) of money in primitive economy, then,  
 one must first understand that money uses are related to specific  
~~transactional principles.~~ *patterns of appropriation* Where market exchange is absent or of  
 only peripheral importance, money as a medium of exchange is



absent or of only peripheral importance. <sup>19</sup> The point is not obvious in our own economy because a single ~~kind of~~ <sup>object</sup> money performs all the money uses. In ~~a given~~ <sup>the same</sup> primitive economy there may be several monies each performing a single use, such as cattle as a means of payment of bridewealth or of bloodwealth and other fines, or brass rods as a unit of account in ~~transactions~~ <sup>appropriational movements</sup> actually carried out in strips of cloth. <sup>20</sup> That money as a means of exchange is not as important as its other uses in primitive economy helps to explain another point of difference between Western and primitive economy; that <sup>in the latter</sup> there rarely exists any sort of governmental control over the quantity of money, ~~in primitive economies~~.

Analysis of primitive economy <sup>then,</sup> suffers from two extreme views: that <sup>they</sup> primitive economy is essentially <sup>like</sup> the same as our own differing only in its lesser complexity and ~~in~~ the absence of machinery. <sup>hence,</sup> ~~Therefore,~~ it is possible to read into primitive economy a parody of our own by emphasizing the similarities rather than the differences (as did Veblen), and by translating primitive economic practices into functional equivalents of our own. <sup>21</sup>

*on the contrary,*

The other extreme is <sup>to</sup> regard primitive economy as ~~totally different from our own, and unamenable to any sort~~  
of general analysis. <sup>centrally</sup> ~~at a~~ <sup>planned non-market economy</sup>

Neither view is entirely wrong. As with ~~Soviet economy~~,  
there are both similarities and differences between controlled  
market capitalism and primitive economy, and <sup>as to</sup> which deserves  
emphasis depends on the specific problem of interest to the  
investigator; although, for most problems of interest to the  
anthropologist and the economist, the differences will be

found more important than the similarities, as we have stressed  
with regard to <sup>(a) ~~principles~~ patterns</sup> <sup>(b) ~~convergences and~~ convergences and</sup>  
<sup>(c)</sup> <sup>(d)</sup> ~~principles of integration, transactional spheres,~~

money uses and the role of market places. But the similarities

should not be ignored. Primitive economy, like the Western, must

be structured so as to provide for a sustained, repetitive flow

of material goods and services. Both extract livelihood from

<sup>(a)</sup> ~~the same basic sources of~~ natural environment and human co-oper-

ation, and both make use of <sup>(b)</sup> ~~superficially~~ <sup>(c) some culture traits</sup> similar devices such

as money, tools, external trade, and market places. But beyond

<sup>this</sup> ~~these the similarities end and the differences become more important.~~  
This should be clearly understood.



Western economy is distinguished by its machine technology,  
 the dominance of ~~the market principle and the integrative pricing~~ <sup>institution with its</sup>  
 mechanism, the use of general-purpose money, the ~~specific~~ <sup>specific</sup> organis-  
 ation of its production units and that ~~the major kinds of economic~~ <sup>most</sup>  
~~exchanges~~ <sup>appropriational movements</sup> transactions can be analysed apart from kinship, religion and  
 political ~~or~~ institutions. ~~At all points~~ <sup>At all points</sup> these are absent or different  
 the is different ~~from~~ <sup>the (peripheral)</sup> primitive economy where, apart from market place exchanges,  
~~material transactions~~ <sup>appropriations</sup> are expressions of social obligation;  
 where the absence of purchased factors of production and of  
 dependence for livelihood on market sale ~~means the absence of~~ <sup>removes both</sup>  
 factor and product prices functioning as guiding parameters for  
 production decisions; where special purpose monies (or none) are  
 in use; and where the organization of work and of other sub-  
 components of production processes are largely determined by  
~~community~~ <sup>status roles</sup> reflecting kinship, religion or political  
 organisation.

<sup>Therefore</sup> It is no accident that there does not exist any set of  
~~institution~~ <sup>theoretical propositions</sup> economic principles for primitive economies, comparable in  
 scope, detail and general predictive applicability to those of

price and distribution theory <sup>as they relate</sup> relating to market-organized

Industrialism in the West. ~~Broadly, there are two reasons:~~

The absence of economy-wide market integration, together with <sup>impossibility</sup> ~~the inability~~ to analyse <sup>appropriational movements</sup> ~~material transactions~~ apart from local <sup>specific</sup> ~~social organisation~~ do not allow the derivation of <sup>general</sup> ~~economic~~ <sup>behavioral</sup> ~~maxims for primitive economy, in general.~~ Only <sup>generalizations</sup> ~~socio-economic~~

~~principles are discernible, only a political economy and not~~

~~an economics of primitive life is possible because most material~~ <sup>of the economic</sup>

<sup>problem is</sup> ~~are inexplicable without reference to the special kinship,~~ <sup>a particular</sup>

~~political and religious institutions of each primitive society:~~ <sup>in particular:</sup>

"The exchanges of archaic societies which he [Mauss] examines are total social movements or activities. They are at the same time economic, juridical, moral, aesthetic, religious, mythological, and sociomorphological phenomena. Their meaning can therefore only be grasped if they are viewed as a complex concrete reality." <sup>23</sup>

<sup>24</sup> The point is illuminated by Professor Stigler's defense of

division of labor in the social sciences. He argues that if each type of social scientist stays within his own speciality, the skill which results through specialization will yield greater research productivity per man and a greater amount of work

Stigler point  
weakly  
limited

<sup>misdirected</sup>

<sup>Debate</sup>  
<sup>Confusing</sup>  
<sup>error</sup>



accomplished, than if each tries to digest and incorporate work  
 of other social sciences. <sup>Nevertheless,</sup> ~~But~~ in his book Professor Stigler is  
 able to ignore political science, history, sociology and  
 anthropology and still derive fruitful analyses, ~~because he~~  
 deals solely with ~~uncontrolled market mechanism.~~ <sup>But it</sup> It is not the  
 general nature of the division of labor, but rather the special  
 nature of his field of interest--price theory in a market-integrated  
 economy--which allows him to ignore social organisation. If he  
 were to write the ~~new~~ economics (or rather, the <sup>Socio-</sup>political economy)  
 of the Trobriand Islands, England under feudalism or, indeed, the  
 Soviet Union, he would find the division of labor <sup>advocated by him</sup> rather less  
 useful; he would be forced to consider politics, religion or  
 kinship structure because of the controlling & importance of  
 social institutions for economic practice in those societies. 25

In sum, Marshall's definition of economics is wide enough  
 to embrace all economies, but his book is an elaborate analysis  
 of only one special kind:

~~the Marshall quote~~ does not sit.  
 Which M. definition? What exactly is  
 summed up? And what w<sup>d</sup> you<sup>d</sup> deprive him  
 of ec. be?

"Political Economy or Economics is a study of mankind in the ordinary business of life; it examines that part of individual and social action which is most closely connected with the attainment and with the use of the material requisites of wellbeing.

"Thus it is on the one side a study of wealth; and on the other, and more important side, a part of the study of man."

Barbara Wootton's description of economics as it is done in the West is more to the point:

"... the laws which he [the economist] evolves are contingent, ... upon the existence of a particular set of social institutions which are far from being coterminous with the whole of human history and experience ... the 'science' of economics is a science of human behaviour in an exchange economy based upon freedom of contract, and upon property-rights approximating to the type that is familiar in the Western Europe or North America of our own time."

CONVERSIONS AND WEALTH ITEMS IN PRIMITIVE ECONOMY

XXXXXXXXXXXXXXXXXXXX

The importance of separate spheres of economy, of different

socio-economic principles of integration, and the special connections between material transactions and social obligation can be illustrated by the practice of conversions.

Anthropologists have long been struck by the diversity of

26

27

at this point the paper breaks in two

Deff



transactional procedures, bizarre intangibles, and what can only be called the moral reactions or emotional concern with certain items and transactional procedures in primitive society. The potlatch, the kula, <sup>simple barter or</sup> silent trade, debt bondage, bridewealth and bloodwealth have all been extensively described.

We ~~ex~~ have called primitive economies multicentric because the permissible modes for transacting different classes of items and services may vary within the same society, so that one may buy food items and tools in the market sphere, but not labor or land; one may acquire a bride by paying over cattle, but not by paying over food items. The spheres of transaction, each containing different kinds of items, are ranked in a hierarchy on the basis of moral considerations. The transaction of highly ranked items is capable of calling forth strong emotional reactions. These wealth or treasure items, whether they be kula arm bracelets, potlatch coppers or rights in marriage wards, are regarded as enormously important. Not only do the items cause excitement, but the organized processes which transact them are also regarded as important--as worthwhile pursuits for honorable men--in the sense

that war in feudal society was regarded as an honorable ~~enky~~ activity. It would be a mistake to assume that because highly ranked treasure items such as kula bracelets and ~~ptax~~ potlatch coppers are not necessary for biological survival they are in some sense less important than goods which are. (Winning Olympic medals is not a matter of indifference to nationalistic sports addicts.) <sup>28</sup> Their acquisition are marks of success and superiority.

In multicentric economies ~~xxxxx~~ there are situations in which the spheres are overridden, items <sup>in Steiner's terms</sup> are disengaged from one sphere and converted to another. <sup>29</sup> There seem to be two kinds of conversion situations. Institutionalized conversion is a socially structured and approved form of wealth-getting in primitive society. He who manages to obtain more highly ranked items for lower is regarded as successful, as converting upward.

A mistake sometimes made by Westerners investigating primitive economy is to equate institutionalized conversion with what we in Western economy call investment. <sup>30</sup> The superficial resemblance is that something is used to acquire something else more valuable.



But investment in Western economy is different for several reasons: it is induced by the quest for material ~~self~~-gain; there need not be a sense of ~~xxxx~~ moral correctness or approbation to the investment transaction, as there is attached to the conversion. Investment is a "conveyance" rather than "conversion" because factor ingredients (including machines) and finished goods all enter the same sphere of market exchange. An obviously hypothetical analogue to institutionalized conversion in Western economy, would be that transaction whereby a rich businessman was allowed openly to buy a knighthood and was regarded with social approval for so doing.

The second kind may be called emergency conversion because ~~it~~ in war, drought, epidemic or epizootic, those with highly ranked treasure items are induced by famine to ~~xx~~ convert downward by selling them off for lower ranked food items. In order to survive, treasure items or slaves are sold, children are pawned and voluntary debt bondage may be incurred. Unlike institutionalized (upward) conversion, which may be carried out by any of several transactional principles and between persons from the same ethnic group, emergency

conversion takes the form of an external, market transaction.

Because it is a desperate expedient, justifiable only when sufficient aid can be got in no other way, it is done externally, with different ethnic groups--outsiders, who have no social obligation to help the disaster-stricken group. It is done between strangers through the one transactional principle which does not express social obligation, market exchange, and hence without moral reaction. It would be as though English holders of first-class university honors degrees and knighthoods sold them to Frenchmen for food in time of famine. It need hardly be added that were such downward conversion done without the justification of extreme emergency, it would excite the strongest moral disapproval.

*This might follow on p 18* PROBLEMS OF ECONOMIC DEVELOPMENT

One can use the points made above and the categories used to make them to describe processes and problems of underdeveloped area transformation. More specifically, if the economic and social experiences of Western industrialization and growth are to be used to ease the current transformations in underdeveloped areas, knowledge of indigenous economy and society can help answer such



questions as these: what is the nature of the impact of economic development and growth on indigenous society? How can the social costs of development be reduced without sacrificing economic improvement? What accounts for the markedly different degree of receptivity to institutional and technological change among underdeveloped countries?

*Follow here from p 18!*  
 The ~~xxxxxxxxxxxxxxx~~ impact of development occurs in the change in essential attributes of traditional society and economy which accompanies the expansion of the market principle and general-purpose money into indigenous non-market spheres of economy. Even where development does not create factory organization and urbanisation, but merely the reliance on cash cropping or the sale of agricultural labor, the change to market organization and dependence is decisive. One may describe the general changes as well as the local points of impact, as follows.

Indigenously, primitive life is integrated in the sense that economic, political, familial, and religious institutions are mutually dependent and interwoven to an extraordinary extent. A sociologist would call each "multifunctional," or "diffuse."

An obvious illustration is that material transactions are most frequently expressions of kinship, religious or political obligation. Indeed, in primitive society the economy is invisible, so to speak, because it is impossible to regard material transactions apart from the social ties and social situations they express: "In primitive

communities, the individual as an economic factor is personalized, not anonymous. He tends to hold his economic position in virtue of his social position. Hence to displace him economically means a social disturbance."

If one were to analyse the sub-components of production processes for any primitive economy, by asking how are labor and other factor resources allocated to different lines of production, how is work organized, and how are produced items disposed of, one would find each phase of the production process an expression of the social organisation of the community. 31

What has appeared to some observers as primitive communism is in reality the allocation of factor ingredients in accordance with socially-defined prerogative, and guaranteed subsistence which results from the right to receive emergency gifts of food from kin, friends, or chief.



Peoples of underdeveloped areas enter market economy by selling labor, producing and selling cash crops or as commercial traders buying for resale. Except where such market activity is temporary, <sup>(32)</sup> or of only minor quantitative importance, permanent changes in indigenous social and economic organisation result. Work for ~~European~~<sup>R</sup> enterprises is not done as part of meaningful social obligation; and work for Europeans means not working at those indigenous tasks which express social duty and social ties. <sup>(33)</sup>

Where cash-cropping becomes the form of participation in market economy, the indigenous farmers--like the Western--must become sensitive to the market prices upon which their livelihood now depends, and so arrange production lines and work organisation in accordance with market criteria. <sup>(34)</sup> If the market principle penetrates further, and land and labor become commodities available for purchase and sale, indigenous social organisation undergoes more drastic change. Moreover, in politically centralized societies such as the Bantu, social cohesion is weakened as the market sphere expands because the economic power of the chief

atrophies as a consequence of his inability to allocate land and to guarantee emergency subsistence from the tribute traditionally paid him by subjects. <sup>35</sup>

Another expression of social change induced by increased market dependence, is the changed attitudes toward <sup>individual</sup> material acquisition, what has been called the "demonstration effect," *an overvalued point*. Market activity, whether as wage labourer, producer of cash crops or commercial trader, divorces economic transactions from expressions of social obligation. In market economy, therefore, economic activity is capable of taking on a life of its own, so to speak, unconstrained by social ties or duties--what Aristotle and the church fathers abhorred as the unbounded pursuit of wealth. Moreover, successful market activity does not depend upon status position, rather the opposite is the case; it is efficiency, enterprise and business acumen which determine economic success, not one's caste or position in a feudal hierarchy. <sup>44</sup>

It is here that a sharp break with traditional society is evident. In primitive life (as in Western feudalism), material



acquisition is largely a result of social status and social right: "From each according to his status obligations in the social system, to each according to his rights in that system". <sup>36</sup>

In market society, material affluence is a path to higher status.

Finally, one may describe the socio-economic incursion of market economy on traditional society in terms of spheres, conversions and the consequences of general-purpose money.

In Western economy, money is general-purpose money for two reasons: within the dominant sphere of market exchange, the same money is used for all money functions--exchange, payment, standard and accounting. But the same money is also used outside the market sphere proper, for transactions we have called redistribution and reciprocity. That is to say, the same money used for all commercial transactions is also used to pay taxes and fines, and for gift-giving purposes. It is this extremely wide usage of the same money instrument which reinforces a major structural difference between unicentric Western economy and multicentric primitive economy.

In primitive economy the money item varies from one sphere

Why not  
stop here?  
It tends to  
become  
involved

to another, or else it has a different money use in each of the several spheres. A single item used for the same money purpose in two or more spheres is either institutionalized so as to create a means of conversion, or else--as in Western economy--it destroys the separation between the spheres.

In primitive economies undergoing development, highly ranked indigenous items rights and services such as cattle, cult membership and wives, formerly acquired with special purpose monies in non-market transactions, have become morally devalued because newly earned Western money allows such an easy means of institutionalized conversion: money earned through market sale of labor or crops, by being used for bridewealth or cult membership, has sullied the brides and the cults with market morality, which, indigenously, is regarded as of a distinctly lower order. ~~now~~ X

#### RECEPTIVITY TO ORGANIZATIONAL AND TECHNOLOGICAL CHANGE

The phrase Industrial Revolution is not quite <sup>suitable</sup> ~~complete~~ for describing the kinds of change which occur with development in many parts of the world, most notably Africa. The phrase



points up the technological change to factory-organised machine processes. In most of Africa, the important change has been in economic organisation rather than in transition to urbanised industrialism. It has been increased dependence on market purchase and sale, the expansion of the market principle into non-market spheres and the attenuation of the others which ~~xx~~ has caused major change in indigenous economy and society.

That the point is not always obvious is due to the double meaning of "economic growth" when applied to underdeveloped areas: on the one hand it is used to mean increase in aggregate or per capita output; on the other it is used to mean something quite different, the institutional transition to market organisation and the technological transition to machine-using processes.

The distinction is necessary in order to point out that the question frequently raised--which indigenous social factors inhibit economic growth--actually harbors two ~~problem~~ areas that are sometimes confused: (1) Given the social, economic, ecological and technological framework of some undeveloped area, why are continual increases in per capita output ~~(growth)~~

not forthcoming within the indigenous system? (2) Given the indigenous framework above, why has European contact failed to induce greater institutional and technological change ~~growth~~ --transition to market organisation and industrialism--which would increase per capita output? Basic to both problems is the question of what constitutes "wealth" and the social importance and permissible ways of wealth-getting in indigenous societies.

In Western ~~market~~ economy, wealth means income yielding property: agricultural and urban land, mineral deposits, herds of cattle, apartment house buildings and steel mills, all have in common that they produce outputs or services ~~a~~ saleable at a market price which yields their owners a property income. Moreover, the wealth items--land, buildings--are themselves saleable for a money price on markets. In our own economy, then, wealth is material, income yielding, quantifiable in money terms and saleable. These characteristics are dependently linked to the dominating organizational principle of market exchange.

Where indigenous wealth concepts and socially permissible ways of wealth-getting in primitive society are markedly different



from those in Western society, there is likely to be the most difficulty in transforming primitive to market exchange institutions. Two examples are the following.

Wealth in some primitive societies is composed of items that do not contribute to enlarging material output, but whose possession does yield material return in the form of gift transfers. *(and many other African peoples)*  
Among the Lele, rights in women and children are considered the highest form of wealth, and the path to material abundance and honorific status is indirect: the creation of affinal dependencies which yield obligatory material gifts. Mary Douglas contrasts the Lele path to high status with the Bushong:

"He [a Lele man] will eventually marry several wives, beget children, and so enter the Begetter's cult. His infant daughters will be asked in marriage by suitors bearing gifts and ready to work for him. Later, when his cult membership is bringing in a revenue of raffia cloth, from fees of new initiates, his newborn daughter's daughters can be promised in marriage to junior clansmen, who will strengthen his following in the village. His wives will look after him in his declining years. He will have stores of raffia cloths to lend or give, but he will possess this wealth because, in the natural course of events, he reached the proper status for his age. He would not be able to

achieve this status through wealth."

"For the Bushong work is the means to wealth, and wealth the means to status. They strongly emphasize the value of individual effort and achievement, and they are also prepared to collaborate in numbers, over a sustained period, when this is necessary to raise output. Nothing in Lele culture corresponds to the Bushong striving for riches."

37

The pursuit of highly ranked wealth items in Lele society is reinforced by technological considerations such as the absence of storage facilities for perishables as well as by the social obligations to share. The absence of monetary arrangements and capital markets also constrains the disposition of produce. Currently produced items can either be self-consumed, given away, paid as tribute, consumed communally (as in feasts), or used to obtain "superior" items or prerogatives via institutionalized conversion. It seems clear, then, that one point of difference among primitive societies is that the structured means to high status have markedly different effects on indigenous output growth as well as on receptivity to organisational and technological change. In the Bushong (as in Western society), individual accumulation is a path to status; not so for the Lele



for whom status is the means to individual material affluence-- and affluence not necessarily composed of enlarged outputs, but often of gift transfers.

Wealth concepts differ in primitive societies in another way. There are some wealth items physically identical with those in Western society but regarded as wealth for reasons which make the primitive wealth items of "social" rather than of economic significance. *An obvious example is the role of cattle in East Africa* For example, cattle in parts of East Africa are wealth to their owners for reasons other than the material yield of the herds. They are rarely slaughtered and eaten by their owners, who part with them only in emergency; they are venerated pets rather than a cash crop or a staple item of diet. Because the social valuation of cattle is so radically different from cattle as a regular market crop in Western economy, it would be uninformed for an outsider to regard East African cattle export as a potential wealth source of economic development. The change necessary to make it so is not "economic"; rather, it would have to be social and ethical.

There are several reasons why economists may profitably concern

themselves with the social change induced by economic development, and by the indigenous peculiarities which account for the ease or difficulty of transition to Western economic institutions and industrialized techniques.

The recent economic literature attempting to set forth unambiguous criteria for increased "welfare" should give us pause. If, in already developed nations such as England and the United States, one may ~~only~~ regard a marginal economic change as an increase in welfare <sup>only</sup> if "... any induced non-economic changes are neutral or good", how much more difficult it is to be certain that the large, quick changes that we call development and growth are indeed welfare increases. Development changes the fabric of social as well as economic life. It behooves the economist to discover which of the alternative paths to development create less social evil, or, at the least, to be aware of the point in his reckoning.

"In primitive communities, the individual as an economic factor is personalized, not anonymous. He tends to hold his economic position in virtue of his social position. Hence to displace him economically means a social disturbance".



<sup>Costs</sup>  
 The social ~~destructiveness~~ of economic improvement surely can be reduced by creating new economic institution amenable to the expression of the traditional values of reciprocity and redistribution, as, indeed, we ourselves have been doing in the Welfare State.

"... the fiercest contests and the most deeply felt divisions of opinion are likely to be waged in the coming years not round technical questions, where the arguments on either side are mainly economic, but round those which, for want of better words, may be called psychological, or, perhaps, moral. . . . Our problem is to work out a social organisation which shall be as efficient as possible without offending our notions of a satisfactory way of life". 40

Finally, economic anthropology can help us understand our own experiences with industrialisation. Much of that guerilla warfare--fought with smiles and Christian names, to borrow Auden's line--among economic historians over whether workers got better ~~off~~ or worse off during the British Industrial Revolution, is unnecessary. Its basic <sup>facility</sup> ~~ambiguity~~ lies in the non-commensurability of the two components of "welfare": real income change, and changed social and personal life which accompanies transformation to urbanized industrialism and market

dependence for livelihood--"wagery", in the epithet of the Luddites.

One should not assume that real income increases can compensate for what Durkheim called anomie, that <sup>disintegration</sup> ~~personal and social~~ devastation which accompanies the destruction of traditional social ties. But with the materialist values of the nineteenth and twentieth centuries, it is not unknown for historians to equate increased welfare solely with increased real income, although much of the literature of the <sup>British experience</sup> ~~period~~ is concerned with personal and <sup>malaise</sup> ~~social degeneration~~ in the new economy of urbanized industrialism and market dependence. It is not at all clear that <sup>either</sup> the Gold Coast African enslaved in ante-bellum Mississippi, the child factory hand in Manchester, or the Bantu in Johannesburg experienced increased welfare, despite his real income betterment.

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A. Gershenkron, "Economic Backwardness in Historical Perspective," in The Progress of Underdeveloped Areas, ed. B.F. Hoselitz (1952), p. 26.

3

B. Malinowski, "The Primitive Economics of the Trobriand Islanders," THE ECONOMIC JOURNAL, Vol. XXXI, March 1921, pp. 1-16.  
J.L. Sadie, "The Social Anthropology of Economic <sup>Under</sup>Development," THE ECONOMIC JOURNAL, Vol. LXX, June 1960, pp. 294-303.

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E.g., N. Keyfitz, "The Interlocking of Social and Economic Factors in Asian Development," The Canadian Journal of Economics and Political Science, Vol. XXV, February 1959, pp. 34-46. P. Deane, Colonial Social Accounting, (1953), pp. 115-116.

5

See the work of K. Polanyi, The Great Transformation, (1944); "Our Obsolete Market Mentality," Commentary, Vol. III, February 1947, pp. 109-117; with C.M. Arensberg and H.W. Pearson, Trade and Market in the Early Empires, (1957); "On the Comparative Treatment of Economic Institutions in Antiquity with Illustrations from Athens, Mycenae, and Alalakh," in City Invincible (1960).

7

W.W. Rostow, The Stages of Economic Growth, (1960).

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See the present writers' review of Rostow's Stages of Economic Growth, American Anthropologist, Vol. 63, April 1961, pp.

8

G. Dalton, "Economic Theory and Primitive Society," American Anthropologist, Vol. 63, February 1961, pp. 1-25.

9

R. Firth, Human Types, (revised ed., 1958), p. 69. K. Polanyi, "The Economy as Instituted Process," in Trade and Market in the Early Empires, ed. K. Polanyi, W.C.M. Arensberg, H.W. Pearson, (1957).

10

*General phrase description of these terms will be given later in the paper.*  
F. Steiner, "Notes on Comparative Economics," British Journal of Sociology, Vol. V, 1954, pp. 118-129. P. Bohannan and G. Dalton, "Introduction," in Markets in Africa, ed. (1961).

11

P. Bohannan, "The Impact of Money on an African Subsistence Economy," The Journal of Economic History, Vol. XIX, December 1959, pp. 491-503.

12

See S.F. Nadel, A Black Byzantium, The Kingdom of the Nupe in Nigeria, (1942).

13

Compare the market transactions called gimwali with those carried out as kinship reciprocity and redistribution via tribute to the chief, in the Trobriands, in B. Malinowski, Argonauts of the Western Pacific, (1922).



14

A second major difference, discussed below, is the role of money.

15

Typically, indigenous markets transacted only a narrow range of products the sale of which constitutes only a minor portion of producer's income. Indigenous labor or land markets are even less frequently found; factor ingredients <sup>in such peripheral markets</sup> were not allocated are/ in response to market price changes.

16

G. Grossman, "Industrial Prices in the USSR," American Economic Review, Papers and Proceedings, Vol. XLIX, May 1959, pp. 50-64.

17

We use the cumbersome term "money-less" instead of "barter" deliberately. Barter is commonly used in two senses which we find it necessary to keep separate. The term is sometimes used to mean any kind of money-less transaction of goods or services, and sometimes to mean only money-less market exchange transactions, of a haggling, bazaar kind.

18

P. Einzig, Primitive Money, 1948, p. 321. Malinowski's excellent account of Trobriands economy (ECONOMIC JOURNAL, March 1921), is marred by his faulty treatment of primitive money. He regards its use as a means of exchange as the sole criterion for deciding

what is and what is not money in primitive economy. *Einzig ultimately makes the same error in singling out means of payment as that which decides whether something is money.*

19

"... one cardinal feature of a primitive economic system is clearly the absence of money, of a price mechanism, and in many cases of a formal market." R. Firth, Human Types, revised ed., 1958, p. 70;

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P. Bohannon, "The Impact of Money on an African Subsistence Economy," The Journal of Economic History, Vol. XIX, December 1959, pp. 491-503.

21

See the description of the potlatch treated as investment, in G. Dalton, "Economic Theory and Primitive Society," American Anthropologist, Vol. 63, February 1961, pp. 16-18; also, D.M. Goodfellow, Principles of Economic Sociology, 1939.

22

J.H. Boeke, The Structure of Netherlands Indian Economy, 1942.

23

E.E. Evans-Pritchard, "Introduction," in M. Mauss, The Gift, 1954, p. vii.

24

G.J. Stigler, The Theory of Price, 1946, pp. 11-12.

25

Professor Stigler recognises the point in saying, "Where the conventional division of labor in the social sciences would do great violence to a problem (e.g., an explanation of rent in a custom-dominated economy), the scientist tills the borderline between two or more disciplines." Ibid., p. 12. For an especially productive example of such tillage, see W.C. Neale, "Reciprocity and Redistribution in the Indian Village: Sequel to Some Notable Discussions," chapter XI in K. Polanyi, C.M. Arensber, H.W. Pearson eds., Trade and Market in the Early Empires, 1957.

26

Principles, 8th ed., p. 1.



27

B. Wootton, Lament for Economics, 1938, pp. 128-129.

28

Malinowski describes the Trobriand Islander's attitude toward kula ornaments as being like our own towards sports trophies.

29

F. Steiner, "Notes on Comparative Economics," British Journal of Sociology, Vol. V, 1954, pp. 118-129; P. Bohannan, "Some Principles of Exchange and Investment among the Tiv," American Anthropologist, Vol. 57, February 1955, pp. 60-70; P. Bohannan and G. Dalton, "Introduction," in Markets in Africa, 1961.

30

See S.H. Udy, Organisation of Work, 1959.

31

See G. Dalton, "Production in Africa,"

32

W. Watson, Tribal Cohesion in a Money Economy, 1958.

33

F. Steiner, "Towards a Classification of Labour," Sociologus, Vol. 7, pp. 112-130.

34

See P.H. Gulliver, "The Evolution of Arusha Trade," in P. Bohannan and G. Dalton, eds., Markets in Africa, 1961.

35

I. Schapera, "Economic Changes in South African Native Life," Africa, Vol. I, 1928, pp. 184, 185, 187.

36

R. Firth, The Elements of Social Organisation, 1951, p. 142; see also, I. Schapera, op. cit., pp. 175-176.

37

M. Douglas, "Lele Economy Compared with the Bushong; A Study of Economic Backwardness," in P. Bohannan and G. Dalton, eds., Markets in Africa, 1961; see also, I. Schapera, op. cit.

38

I.M.D. Little, A Critique of Welfare Economics, 1950, p. 269 ft. 1.

39

R. Firth, The Elements of Social Organisation, 1951, p. 137.

40

J.M. Keynes, The End of Laissez Faire, 1926, pp. 50, 53.

41

Compare T.A. Ashton, "The Standard of Life of the Workers in England, 1790-1830," The Journal of Economic History, Supplement IX, 1949, pp. 19-38; and, R. Owen, "Observations on the Effect of the Manufacturing System: with hints for the improvement of those parts of it which are most injurious to health and morals," (1815), in The Life of Robert Owen, Vol. IA (Supplementary Appendix), 1858, pp. 33-52.



## ANTHROPOLOGY AND ECONOMIC DEVELOPMENT<sup>1</sup>

"What makes it so difficult for an advanced country to appraise properly the industrialisation policies of its less fortunate brethren is the fact that in every instance of industrialisation imitation of the evolution in advanced countries appears in combination with different, indigenously determined elements... What can be derived from a historical review is a strong sense for the significance of the native elements in industrialisations of backward countries."<sup>2</sup>

As early as 1921 and as recently as 1960 in this JOURNAL, anthropologists have called attention to the economics of primitive communities.<sup>3</sup> Their point is that economists may gain useful insights from analysis of primitive economies. Malinowski's theme in 1921 was that the economist's generalisations--indeed, his Marshallian apparatus--does not seem to fit primitive economy; that orthodox price theory is incapable of explaining essential patterns of primitive economic organisation. Hradie's theme is that the crucial factors which inhibit African economic development are the attitudes and values ingrained by indigenous cultural and social organisation, a theme reiterated by other writers familiar with actual developmental projects and areas.<sup>4</sup>

It is understandable that in 1921 Malinowski's views did not bewilder economists. The curious economic habits of the

natives were not then related to any matter of concern to theoretical or applied economics. Neither the study of comparative economic organisation nor the problems of underdeveloped areas was then within the orbit of academic economics. Today this situation has changed utterly.

If the economist's concern is to set out the requisites for development with the intention of easing or accelerating economic growth, it is necessary to know about indigenous economic organisation and performance. The direction, speed, and costs of development are all influenced by what the peoples of underdeveloped areas start with. With few exceptions,<sup>5</sup> it has been heretofore the anthropologist alone who concerned himself with what Rostow has called traditional society.<sup>6</sup> However, even Rostow's admirable book portrays traditional society as simply the absence of the technological, economic and social requisites for sustained growth. Whatever may be the forms of traditional economic organisation to be displaced, he does not tell us.<sup>7</sup>

Part of the complexity of development from traditional, primitive economy follows from the need to fulfill simultaneously two related but different sets of conditions, one institutional, the other technological. The first is the institution of economy-wide market institutions and dependence: labor, land, money, capital and output markets must be made the common arena of acquiring livelihood, and concomitantly the dominant mode of allocating resources, incomes, and products. The second is the



acquisition of specific tools and skills strategic for output growth, such as capital goods and a labour force trained to use them.

The creation of market institutions has not been a concern of economic theory. Price, distribution, income and growth theory are only applicable once the institutional structure of market exchange already exists. Economic theory was designed for an economy whose social organisation remains invisible.<sup>8</sup> Neither Marshall nor Keynes had to cope with the non-Euclidean universe, so to speak, of economies in which compulsory gift exchange and bridewealth were important components.

There are two general characteristics of primitive economies which will be described from the viewpoint of Western concern with underdevelopment. (1) Structures and processes, the principles of whose operation are markedly different from those dominant in the West, commonly exist in primitive economy. (2) Such seemingly familiar devices as money and prices usually serve purposes different from their counterparts in Western economy, and are indicative of larger differences in fundamental modes of organisation.

#### PRIMITIVE SPHERES OF TRANSACTION

##### AND PRINCIPLES OF INTEGRATION

Capitalism or better, market economy is distinguished by the wide range of resources, products and services capable of being purchased for a money price. In this sense the economy

is "unicentric"; that is to say, all items that are exchanged at all are made commensurable by their presence in the same institutional centre of market exchange. Put differently, as consumers and producers, most people depend for their livelihood on market purchase and sale. Indeed, Marshallian theory is an elaborate analysis of price mechanics precisely because of the integrative role which market price plays in the allocation of resources, income and output.

By contrast, a typical primitive economy may be called "multicentric" because of the simultaneous existence of several centres or spheres of transaction each more or less isolated and marked off by a special set of goods or services peculiar to it. In some of these spheres goods change hands in accordance with distinctly different principles.<sup>9</sup> Exchanges or dispositions of items within a sphere can be called "conveyances"; the special occasions on which they occur between spheres can be called "conversions."<sup>10</sup> We can then point out some distinguishing characteristics of primitive economy.

(i) Natural resources, labour, goods and services, as well as such bizarre intangibles as honorific titles, rights to songs and dances, and, indeed, rights in people, may be transacted in different, and isolated, spheres within the same society.<sup>11</sup> Both the permissible principle of their transaction and the permissible items for which any one of them may be exchanged, are carefully structured.

(ii) There seem to be three transactional or appropriational principles each distinguished by several features the most



prominent of which is the social obligation which induces the patterned movement of the items: reciprocity consists of obligatory gift- and counter-gift giving practiced by symmetrical pairings or groupings of socially-defined parties. Typically, it is kinship or formalised friendship which structures such gift-giving. Because reciprocal transactions express underlying social relationships there is usually a marked absence of haggling. Rather the opposite seems to be the case: it is convention, etiquette, social position and noblese oblige which decide the quantity and quality as well as frequency and timing of exchanges or the mutual assistance offered.

Redistribution consists of obligatory payments of goods and services to some socially recognized central personage, usually king, chief or priest, who distributes portions of what he receives to provide community services (such as defense), and to reward high status persons, or merely to provide feasts for the entire community. Typically, the central figure also has rights of bestowal of property such as land. And it is the political or religious authority of the central personage which confers on him the right of apportionment. Once again, it is the social tie between him who pays and him who receives that induces the tribute payment to the centre and decides the right to receive from the centre.<sup>12</sup>

The third transactional principle, market exchange, is different from the other two because of the absence of pre-existing social obligation between the persons exchanging. Market purchase

and sale appear so peculiarly economic--induced by material gain or utility--precisely because the parties to the transaction share no social relationship which obliges them to engage in exchange.<sup>13</sup> Indeed, precisely the opposite: where markets and contract are dominant, they create the web of society.

(iii) Emphasis in differentiating between primitive economy and our own rests on the fact that, in the former, market exchange is of only peripheral importance compared to reciprocity and redistribution; the bulk of material livelihood is not received through market sale of labour, resources or goods. Therefore, local market price does not serve to reallocate resources to different production lines as in Western economy. Moreover, it is typical that two or all three transactional patterns may operate simultaneously in the same economy. Their relative importance can be determined on the basis of how land and labour are allocated and how the major portion of subsistence livelihood is acquired.

The same is true for our own economy. All through principles operate, but the relative importance of market exchange compared to reciprocity and redistribution is different.<sup>14</sup> With us, market exchange is overwhelmingly dominant: almost all people receive their basic livelihood from market sale of labour, ingenuity or resources, and buy on markets most of the goods they use; of course, the price mechanism governs redeployment of factors among production lines. Redistribution occurs through governmental taxation and spending both for such traditional purposes



as defence, and for maintenance of full employment, welfare services and growth. With us, reciprocity is only of peripheral importance; gift-giving on birthdays and at Christmas seems hardly economic at all because of the social occasions and relationships which induce such gift transfers. Indeed, few or none depend for livelihood on private gift receipts. But in many primitive societies, gift-giving is an integral component of production, especially in the allocation of labour. With us, it survives as an aspect of production only in the family farm or firm: even here it is not unmixed with market elements.

(iv) Production in primitive economy is different from its Western counterpart on two scores. Purchased factors of production (including machinery) are absent, and market sale is not the normal mode for acquiring livelihood. Thus, constraints imposed on Western producers by the need to buy from and sell to the larger economy are absent in primitive economy. Primitive production is not sensitive to costs and prices because most factors are not purchased and most products are not sold.<sup>15</sup> There can be no "economizing" in the Western sense, because there are no resource or product prices formed in the larger economy in response to which production decisions are made. In this sense, price is not integrative in primitive economy.

The absence of machines and dominant markets is related to another important matter: the social integument pervades,

directs and constrains primitive economy in all its major parts--indeed, is not separated from it. Such a condition is possible only because the larger economy does not dictate prices--or any other economic constraints--with which primitive producers have to conform. Because of the absence of such constraints, production processes can be expressive of social relationship and obligation. It is physical environment and social organisation rather than economic or technological necessity that determine work organisation of production groups. Actually, each phase of production--the allocation of factor resources, the arrangement of work and the disposition of what is produced--reflect the special community relationships present. What appears to us as economic activity is regarded indigenously as fulfillment of social obligation, hence the inability to distinguish between "economy" and "society" in primitive life.

#### SOCIO-ECONOMIC PRACTICES

A matter of some importance concerns the presence of familiar devices and practices in primitive economy--money, external trade, market places--which are sometimes mistaken for functional equivalents of similar practices in our own economy. In this connection, two points should be made clear.

Just as it would be incorrect to conclude that because the Soviet economy makes use of external trade, money and prices their organisation and functioning must be the same as our own,<sup>16</sup> so too would such conclusion be unwarranted for those practices in primitive economy which resemble our own. Secondly, as in



comparison of our own with Soviet economy, differences in organisation and purpose of superficially similar economic practices are indicators of more basic differences in the integrative patterns of the larger economy. Closer examination of some primitive economic practices will illustrate the points.

In considering the use of money in primitive economy two errors must be avoided. The first is to assume that the distinction between money-less transactions and those carried on with money is a vital distinction.<sup>17</sup> Such a distinction ignores the underlying principle of the transaction; that is, whether the goods change hands according to the rules of market exchange, reciprocity or redistribution. Any of the three may or may not entail the use of money. A simple distinction between money-using and money-less transactions tends to cover up that more vital distinction. For example, in our own economy, we may use money to buy something on a market, to pay taxes, and to give as a gift. To lump all three together merely because money is used in all, is to obscure the essentially different transactional principles, and thereby the important distinction between the social ties involved in each as well as the different rules that determine which goods and in what quantities enter each transactional sphere.

A second mistake is to assume that the most important characteristic of money in primitive economy must be the same as in our own: its use as a means of exchange. That the most

important use of money in Western economy is as a means of exchange is due to the price mechanism being the economy-wide form of integration. All resources, products and services must be priced in money terms to make them marketable commodities and to render them commensurable. However, even in market economy, money is used for the additional purposes of payment (taxes and fines), as a standard for accounting, and as a store of wealth.

Where economy-wide integration through market prices is absent, money as a means of exchange is absent, or of very limited application, but money as a means of payment and as a standard for calculation may be present and extremely important. Binswanger has noted that since money has many functions and sometimes these other functions are more important than that of the medium of exchange, it is unwise to use the term "money" as a synonym for 'medium of exchange.'

To understand the usage of money in primitive economy, then, one must first understand that money uses are related to specific transactional principles and to separate socio-economic spheres.<sup>19</sup> The point is not obvious in our own economy because a single money object performs all the money uses. However, in the same primitive economy there may be several monies each performing a single use within a single transactional sphere, such as cattle as a means of payment of bridewealth or bloodwealth and other fines, or brass rods as a unit of account in transactions in which payment is made in strips of cloth.<sup>20</sup>



That the use of money as a means of exchange is not as important as its other uses in primitive economy helps to explain another point of difference: unlike Western practice, there rarely exists any sort of governmental control over the quantity of money in any primitive economy.

Analysis of primitive economic life suffers, then, from two extreme views: that it is essentially like our own, differing only in its lesser complexity and in the absence of machinery. Those who take this view read into primitive economy a parody of our own by emphasizing the similarities rather than the differences, and by translating primitive economic practices into precise functional equivalents of our own.<sup>21</sup>

The other extreme is to regard primitive economy as totally different from our own, unamenable to any sort of general analysis.<sup>22</sup>

Neither view is entirely wrong. There are both similarities and differences between controlled market capitalism and primitive economy as there are between either and Soviet economy. Which deserves emphasis depends on the specific problem of interest to the investigator. However, for most problems of interest to economists and anthropologists, the differences will be found more enlightening than the similarities. We have stressed differences with regard to patterns of integration, transactional spheres, money uses and the role of market prices. But the similarities should not be ignored. Primitive economy, like the Western, must be structured so as to provide for a sus-

tained, repetitive flow of material goods and services. Both extract livelihood from the same basic sources of natural environment and human co-operation, and both make use of superficially similar practices and devices such as money, tools, external trade, and market places. But beyond these the similarities end and the differences emerge.

Western economy is distinguished by its machine technology, the dominance of the market principle and the integrative price mechanism in determining resource allocation, work organisation and product disposition, the use of general-purpose money, and the fact that the major kinds of economic transactions can be analysed apart from kinship, religion and political institutions. At all these points primitive economy is different: apart from market place exchanges, material transactions primarily are expressions of social obligation; the absence of purchased factors of production and of dependence for livelihood on market sale means the absence of resource and product prices functioning as guiding parameters for production decisions; limited purpose monies (or no money) are in use; and the organisation of work and other component phases of production are largely determined by status roles reflecting kinship, religious or political organisation.

It is therefore no accident that there does not exist any set of theoretical propositions for primitive economy, comparable in scope, detail and general predictive applicability to those of price and distribution theory for market-organised industrialism.



Broadly, there are two reasons: the absence of economy-wide market integration and the impossibility of analysing material flows apart from local social organisation prohibit the derivation of general economic maxims. Rather, only social or socio-economic principles are discernible. Only a "political economy" and not an "economics" of primitive life is possible because most material flows are unexplainable without particular reference to the local kinship, political and religious institutions.<sup>23</sup>

The point is illuminated by Professor Stigler's unfortunate defense of division of labor in the social sciences.<sup>24</sup> He argues that if each type of social scientist stays within his own speciality, the skill which results through specialisation will yield greater research productivity per man and a greater total of work accomplished, than if each tries to digest and incorporate work of other social sciences. But in his book Professor Stigler is able to follow his own advice and ignore political science, history, sociology and anthropology and still derive fruitful analyses only because he deals solely with uncontrolled market mechanism. It is not the general nature of the division of labour, but rather the special nature of his field of interest--price theory in a market integrated economy--which allows him to ignore social organisation. If he were to write the economics (or rather, the social and political economy) of the Trobriand Islands, England under feudalism, or indeed, the Soviet Union, he would find the division of labour rather less useful; he would be forced to consider kinship structure,

religion, or politics because of the controlling importance of social institutions for economic practice in those societies.

A similar example of unwarranted generalisation from the special case of market economy is found in Marshall. His definition of economics is wide enough to embrace all types of economy, but his book is an elaborate analysis of only one special kind:

"Political Economy or Economics is a study of mankind in the ordinary business of life; it examines that part of individual and social action which is most closely connected with the attainment and with the use of the material requisites of wellbeing.

"Thus it is on the one side a study of wealth; and on the other, and more important side, a part of the study of man."<sup>26</sup>

Barbara Wootton's description of economics as it is done in the West is more to the point:

"... the laws which he [the economist] evolves are contingent. . . upon the existence of a particular set of social institutions which are far from being coterminous with the whole of human history and experience. . . the 'science' of economics is a science of human behaviour in an exchange economy based upon freedom of contract, and upon property-rights approximating to the type that is familiar in the Western Europe or North America of our own time."<sup>27</sup>

#### CONVERSIONS AND WEALTH

##### ITEMS IN PRIMITIVE ECONOMY

The importance of separate spheres of economy, of different socio-economic principles of integration, and the special connexions between material transactions and social obligation can be illustrated by the practice of conversion.

Anthropologists have long been struck by the diversity of transactional procedures, bizarre intangibles, and what can only be called the moral reactions or emotional concerns with certain



items and transactional procedures in primitive society. The potlatch, the kula, silent trade, debt bondage, bridewealth and bloodwealth have all been extensively described.

We have called primitive economies multicentric because items and services within a single society are often grouped into different classes, each independent of the others and each having characteristic modes of transaction, so that typically one may buy some or all food items and most tools in one sphere that is probably marked by the market, but labour and land are utterly removed. One may acquire a bride by paying over cattle, but neither bride nor cattle by paying over food items, no matter what the quantity. The spheres of transaction, each containing different kinds of items, are ranked in a hierarchy on the basis of moral considerations. The transaction of highly ranked items is capable of calling forth strong emotional reactions. These wealth or treasure items, whether they be kula arm bracelets, potlatch coppers, or rights in marriage wards, are regarded as enormously important. Not only do the items cause excitement, but the organized processes which transact them are also regarded as important--as worthwhile pursuits for honorable men. It would be a mistake to assume that because highly ranked treasure items such as kula bracelets and potlatch coppers are not necessary for biological survival they are in some sense less important than goods which are. In our own society winning Olympic medals is not a matter of indifference.<sup>28</sup> Their acquisition is a mark of success and superiority.

There are in multicentric economies, however, special situations in which at least some of the spheres are overridden, and items are disengaged from one sphere and converted to another.<sup>29</sup>

Two situations must be met in order for a conversion to take place. One partner to the exchange must convert up, to a morally superior sphere. Upward conversion is, in fact, an institutionalized and socially approved form of wealth getting. He who manages to obtain more highly ranked items for lower is regarded as successful.

The point is worth emphasis because a mistake sometimes made by Westerners investigating primitive economy is to equate upward conversion with what we in Western economy call investment. The superficial resemblance is that something is used to acquire something else more valuable. But investment in Western economy is different for several reasons: it is institutionally induced by the quest for material gain; it is both commercial and a continual, not an occasional activity; moreover there need not be a sense of moral correctness or approbation to the investment transaction, as invariably is the case with upward conversion. Investment is a "conveyance" rather than "conversion" because factor resources (including machines) and finished goods all enter the same sphere of market exchange and are transacted by the same money instrument.

Obviously, if one partner converts up, the other must convert down in any exchange between two spheres. Downward conversion is almost always accompanied by a personal or community emergency. It may be war, drought, epidemic, famine or epizootic, when the entire group is afflicted. In such a situation, those with highly ranked treasure items are forced to convert



downward by selling them to outsiders for subsistence; slaves may be sold, children pawned, and voluntary debt bondage may be incurred. Because it is a desperate expedient, justifiable only when the entire group is similarly destitute, it must be done externally with persons who have no social obligations to the disaster-stricken group, and therefore usually occurs on the transactional principle of the market. On the other hand, he who converts down may be an individual who has social obligations that must be fulfilled with the goods he acquires by the downward conversion. In such a case, he can be regarded as a man who puts his family and his kinsmen before mere wealth and self gain. It need hardly be added that were downward conversion done without the justification of emergency, it would excite the strongest moral disapproval.

#### PROBLEMS OF ECONOMIC DEVELOPMENT

One can use the foregoing points and categories to clarify processes and problems of underdeveloped area transformation. More specifically, just as the historian's account of economic and social experiences of Western industrialisation can be used to ease the current transformations in underdeveloped areas, so too can the anthropologist's knowledge of indigenous economy and society be used to help answer such questions as these: what is the nature of the impact of economic development and growth on indigenous society? How can the social costs of development be reduced without sacrificing economic improvement?

What accounts for the markedly different degree of receptivity to institutional and technological change in underdeveloped countries?

The impact of development is the change in essential attributes of traditional society and economy which accompanies the expansion of the market principle and general-purpose money into what are non-market spheres in the indigenous economy. Even where development does not create factories and urbanisation, but merely the reliance on cash cropping or the sale of agricultural labour, the change to market organisation and dependence is decisive. One may describe the general changes as well as the specific points of impact, as follows.

Indigenously, primitive life is integrated in the sense that economic, political, familial, and religious institutions and processes are not merely mutually dependent and interwoven but actually not distinguished and indeed indistinguishable. A sociologist would call each "multifunctional," or "diffuse."<sup>30</sup> An obvious illustration is the previously emphasized point that material transactions are most frequently expressions of kinship, religious or political obligation. In primitive society the economy is invisible, so to speak, because it is impossible to understand most material transactions apart from the social ties and social situations they express. If one were to analyse the component processes of production for any primitive economy, by asking how labour and other factor resources are allocated to different lines of production - how is work organised? how are produced items disposed of? - one would find each phase of the



production process an expression of some facet of the social organisation of the community.<sup>31</sup> What has appeared to some observers as primitive communism is no more than the allocation of factor resources and labour in accordance with socially-defined prerogative of a certain sort, and the guaranteed subsistence which results from the traditional right to receive emergency gifts of food from kin, friends, or chief.

Peoples of underdeveloped areas enter market economy by selling labour, producing and selling cash crops or as commercial traders buying for resale. Except where such market activity is temporary,<sup>32</sup> or only of minor quantitative importance, permanent changes in indigenous social and economic organisation result. One reason is that work for European enterprise is not done as part of meaningful social obligation; and work for Europeans means not working at those indigenous tasks which express social duty and social ties.<sup>33</sup>

Where cash-cropping becomes the form of participation in market economy, indigenous farmers--like the Western--must become sensitive to the market prices upon which their livelihood now depends, and so arrange production lines and work organisation in accordance with market criteria.<sup>34</sup> If market organisation penetrates further, and land and labour become commodities available for purchase and sale, indigenous social organisation undergoes more drastic change. When such occurs in politically centralised societies, as in the tribes of South Africa, social cohesion is further weakened as the market sphere expands because the economic power of the chief atrophies as a consequence

of his inability to allocate land and to provide emergency subsistence from the tribute traditionally paid him by subjects.<sup>35</sup>

Another expression of social change induced by increased market dependence, is the changed attitudes toward individual material accumulation, what has been called the demonstration effect. Market activity, whether as wage labourer, producer of cash crops or commercial trader, divorces economic transactions from expressions of social obligation. In a market-dominated economy, therefore, economic activity is capable of taking on a life of its own, so to speak, unconstrained by social ties or duties--what Aristotle and the church fathers abhorred as the unbounded pursuit of wealth. Moreover, successful market activity does not depend upon status position, rather the opposite is the case; it is individual efficiency, enterprise and business acumen which determine economic success, not one's caste or position in a feudal hierarchy.

It is here that a sharp break with traditional society is evident. In primitive life (as in Western feudalism), material acquisition is largely a result of social status and social right: "From each according to his status obligations in the social system, to each according to his rights in that system."<sup>36</sup> In market society, material affluence is a path to higher social position.

Finally, one may describe the socio-economic incursions on traditional society in terms of spheres, conversions and the consequences of general-purpose money.



In Western economy, money is general-purpose money for two reasons: within the dominant sphere of market exchange, the same money item is used for all money functions--exchange, payment, standard and accounting. But the same money is also used as limited purpose money outside the market sphere proper, for transactions we have called redistribution and reciprocity. That is to say, the money item used for all commercial transactions is also used to pay taxes and fines, and for gift-giving purposes. It is this extremely wide usage of the same money instrument which reinforces a major structural difference between unicentric Western economy and multicentric primitive economy.

In primitive economy the money item varies from one sphere to another, or else it has a different money use in each of the several spheres. A single item used for the same money purpose in two or more spheres is either institutionalised so as to create a means of upward conversion, or else--as in Western economy--it destroys the separation between the spheres.

In primitive economies undergoing development, highly ranked indigenous goods, rights and services, such as cattle, cult membership and wives, formerly acquired with limited purpose monies in non-market transactions, have become morally devalued because newly earned Western money allows such an easy means of upward conversion: money earned through market sale of labour or crops, by being used for bridewealth or cult membership, has sullied the brides and the cults with market morality, which, indigenously, is regarded as of a distinctly lower order.

# RECEPTIVITY TO ORGANIZATIONAL AND TECHNOLOGICAL CHANGE

The phrase "Industrial Revolution" is not quite suitable for describing the varieties of change which occur with development in many parts of the world, most notably Africa. The phrase points up the technological change to factory-organised machine processes. In most of Africa, the important change has thus far been in economic organisation rather than in transition to urbanised industrialism. It has been increased dependence on market purchase and sale, the expansion of the market principle into non-market spheres and the attenuation of the others which has caused major change in indigenous economy and society.

That the point is not always obvious is due to the double meaning of "economic growth" when applied to underdeveloped areas: on the one hand it is used to mean increase in aggregate or per capita output; on the other it is used to mean something quite different, the institutional change to market organisation and the technological change to machine-using processes. The distinction is necessary in order to point out that the question frequently raised--which indigenous social factors inhibit economic growth--actually harbors two problem-areas that are sometimes confused: (1) Given the social, economic, ecological and technological framework of some underdeveloped area, why are continual increases in per capita output not forthcoming within the indigenous system? (2) Given the indigenous framework above, why has European contact failed to induce greater



institutional and technological change--transition to market organisation and industrialism--which would increase per capita output? Basic to both problems is the question of what constitutes "wealth" and the social importance and permissible ways of wealth-getting in indigenous societies.

In Western economy, wealth means income yielding property: agricultural and urban land, mineral deposits, herds of cattle, apartment house buildings and steel mills, all have in common that they produce outputs or services saleable at a market price which yields their owners a property income. Moreover, the wealth items--land, buildings--are themselves saleable for a money price on markets. In our own economy, then, wealth is material, income yielding, quantifiable in money terms and saleable. These characteristics are dependently linked to the dominating organisational principle of market exchange.

Where wealth concepts and items, and the socially permissible ways of wealth-getting in primitive society are markedly different from those in Western society, there is likely to be the most difficulty in transforming primitive to market exchange institutions. An example will illustrate the point.

Wealth in some primitive societies is composed of items that do not contribute to enlarging material output, but whose possession does yield material return in the form of gift transfers. Among the Lele (and many other African peoples), rights in women and children are considered the highest form of wealth, and the path to material abundance and honorific status is the creation of affinal dependencies which yield obligatory material

gifts. Mary Douglas contrasts the Lele path to high status with the Bushong:

"He [a Lele man] will eventually marry several wives, beget children, and so enter the Begetter's cult. His infant daughters will be asked in marriage by suitors bearing gifts and ready to work for him. Later, when his cult membership is bringing in a revenue of raffia cloth, from fees of new initiates, his newborn daughter's daughters can be promised in marriage to junior clansmen, who will strengthen his following in the village. His wives will look after him in his declining years. He will have stores of raffia cloths to lend or give, but he will possess this wealth because, in the natural course of events, he reached the proper status for his age. He would not be able to achieve this status through wealth."

In contrast:

"For the Bushong work is the means to wealth, and wealth the means to status. They strongly emphasize the value of individual effort and achievement, and they are also prepared to collaborate in numbers, over a sustained period, when this is necessary to raise output. Nothing in Lele culture corresponds to the Bushong striving for riches."

The pursuit of highly ranked wealth items in Lele society is reinforced by technological considerations such as the absence of storage facilities for perishables as well as by the social obligations to share. The absence of monetary arrangements and capital markets also constrains the disposition of produce. Currently produced items can either be self-consumed, given away, paid as tribute, consumed communally (as in feasts), or used to obtain more highly ranked items or prerogatives via upward conversion.

It seems clear, then, that one point of difference among primitive societies is that the structured means to high status



have markedly different effects on indigenous output growth as well as on receptivity to organisational and technological change. In the Bushong (as in Western society), individual material accumulation is a path to status; not so for the Lele for whom status is the means to individual material affluence--and affluence not necessarily composed of enlarged outposts, but rather of gift transfers.

Wealth concepts differ in primitive societies in another way. There are some wealth items physically identical with those in Western society but regarded as wealth for reasons which make the primitive items of "social" rather than of economic significance. An obvious example is the role of cattle in East Africa.

#### CONCLUSION

There are several reasons why economists may profitably concern themselves with social changes induced by economic development, and with the indigenous peculiarities which account for the ease or difficulty of transition to Western economic institutions and industrialised techniques.

The recent economic literature attempting to set forth unambiguous criteria for increased "welfare" should give us pause. If, in already developed nations such as England and the United States, one may regard a marginal economic change as an increase in welfare only if "... any induced non-economic changes are neutral or good",<sup>38</sup> how much more difficult it is to be certain that the large, quick changes that we call development

and growth are indeed welfare increases. Development changes the fabric of social as well as economic life; Firth has pointed out that in primitive communities, "the individual as an economic factor is personalized, not anonymous. He tends to hold his economic position in virtue of his social position; hence to displace him economically means a social disturbance."<sup>39</sup>

The social costs of economic improvement are lower when the new economic institutions are amenable to the expression of traditional values of reciprocity and redistribution. We ourselves have had to recreate these institutions in the form of the Welfare State,

"... the fiercest contests and the most deeply felt divisions of opinion are likely to be waged in the coming years not round technical questions, where the arguments on either side are mainly economic, but round those which, for want of better words, may be called psychological, or, perhaps, moral. . . . Our problem is to work out a social organisation which shall be as efficient as possible without offending our notions of a satisfactory way of life."<sup>40</sup>

Finally, economic anthropology is helpful in understanding our own experience with industrialisation. Much of that guerilla warfare--fought with smiles and Christian names, to borrow Auden's line--among economic historians over whether workers got better or worse off during the British Industrial Revolution, is unnecessary. Its basic futility lies in the fact that the two components of "welfare" are not commensurable: real income change cannot be meaningfully compared with changed social and personal life which accompanies transformation to urbanised industrialism and market dependence for livelihood--"wagery" in the epitaph of the Luddites.



The two kinds of change are of a different order. And one should not assume that real income increases can compensate for what Durkheim called anomie, the disintegration which accompanies the destruction of traditional social ties. However, with the materialist values of the nineteenth and twentieth centuries, it is not unknown for historians of British industrialisation to equate increased welfare solely with increased real income. This in spite of the fact that much of the literature of the British experience is concerned with personal and social malaise in the new economy of urbanised industrialism and market dependence.<sup>41</sup>

"Name a society whose economic advance delights its statisticians and you name one in which the good qualities of its earlier life are decaying and in which no new civilisation has emerged. That good will come from this evil is a possibility, but the economist cannot honestly pretend to know that it is more."<sup>42</sup>

It is not at all clear that either the West Coast African enslaved in ante-bellum Mississippi, the child factory hand in Manchester, or the Bantu in Johannesburg experienced increased welfare, despite his real income betterment.

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1. We are grateful to Karl Polanyi of Columbia and E.C. Budd of Yale for their comments on an earlier draft.
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10. A more precise description of conversion will be given later in the paper.



11. P. Bohannan, "The Impact of Money on an African Subsistence Economy," The Journal of Economic History, Vol. XII, December, 1959, pp. 491-503.
12. See S.F. Nadel, A Black Byzantium, The Kingdom of the Nupe in Nigeria, (1942).
13. Compare the market transactions called gimwali with those carried out as kinship reciprocity and redistribution via tribute to the chief, in the Trobriands, in B. Malinowski, Argonauts of the Western Pacific, (1922).
14. A second major difference, discussed below, is the role of money.
15. Typically, indigenous markets transact only a narrow range of products the sale of which constitutes only a minor portion of producer's income. Indigenous labour or land markets are even less frequently found; basic resources are not allocated in response to price changes registered in peripheral markets.
16. G. Groesman, "Industrial Prices in the USSR," American Economic Review, Papers and Proceedings, Vol. XLIX, May, 1959, pp. 50-64.
17. We use the cumbersome term "money-less" instead of "barter" deliberately. Barter is commonly used in two senses which we find it necessary to keep separate. The term is sometimes used to mean any kind of money-less transaction of goods or services, and sometimes to mean only money-less market exchange transactions, of a haggling, bazaar kind.
18. P. Minzig, Primitive Money, 1948, p. 321. Malinowski's excellent account of Trobriands economy (ECONOMIC JOURNAL, March 1921), is marred by his faulty treatment of primitive money. He regards its use as means of exchange as the sole criterion for deciding what is and what is not money in primitive economy. Minzig ultimately makes the same error in singling out means of payment as that which decides whether something is money.
19. "... one cardinal feature of a primitive economic system is clearly the absence of money, of a price mechanism, and in many cases of a formal market." R. Firth, Human Types, revised ed., 1968, p. 70.

20. P. Bohannan, "The Impact of Money on an African Subsistence Economy," The Journal of Economic History, Vol. XIX, December, 1959, pp. 491-503.
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22. J.H. Boeke, The Structure of Netherlands Indian Economy, 1942.
23. See E.E. Evans-Pritchard, "Introduction," in M. Huxley, The Gift, 1954, p. vii.
24. C.J. Stigler, The Theory of Prices, 1946, pp. 11-12.
25. Professor Stigler recognizes the point in saying, "where the conventional division of labour in the social sciences would do great violence to a problem (e.g., an explanation of rent in a custom-dominated economy), the scientist tills the borderline between two or more disciplines." Ibid., p.12. For an especially productive example of such tillage, see H.C. Neale, "Reciprocity and Redistribution in the Indian Village: Sequel to Some Notable Discussions," chapter XI in K. Polanyi, C.M. Arensberg, H.W. Pearson, eds., Trade and Market in the Early Empires, 1957.
26. Principles, 8th ed., p. 1.
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28. Malinowski describes the Trobriand Islander's attitude toward kula ornaments as being like our own towards sports trophies.
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30. See S.H. Udy, Organisation of Work, 1959.
31. This statement is true for every economy, but in the present context irrelevant for our own. For an extended treatment of indigenous production processes, see G. Dalton, "Production in Africa" (forthcoming).



32. W. Watson, Tribal Cohesion in a Money Economy, 1958
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36. R. Firth, The Elements of Social Organisation, 1951, p. 142; see also, I. Schapera, op. cit., pp. 175-176.
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39. R. Firth, The Elements of Social Organisation, 1951, p. 137.
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42. D.M. Benenson-Butt, On Economic Growth, 1960, p. 213.