Economic Organisation : Meaning, scope and relevance of economic anthropology; Formalist and Substantivist debate; Principles governing production, distribution and exchange (reciprocity, redistribution and market), in communities, subsisting on hunting and gathering, fishing, swiddening, pastoralism, horticulture, and agriculture; globalisation and indigenous economic systems. (Unit 3 , Paper I)

MEANING OF ECONOMIC ANTHROPOLOGY

Economic anthropology may be regarded as a subfield of cultural anthropology pertaining to the study of human economic systems, across different cultures.
The term 'economic anthropology' was coined by **N.S.B.Gras (1927)**, an economic historian, who defined it as a 'synthesis of anthropological and economic studies' dealing with 'the study of the ways in which primitive people obtained a living.

According to **Ralph Piddington** it aims:

1. To gather information about economic human nature
2. To study the processes and results of economic contracts
3. To study simple societies and economic institutions in their elementary form

In a nutshell, economic anthropology takes the best of economics and anthropology and creates a hybrid that allows for the investigation of economic behaviour as it is lived and practised.
Economic Anthropology describes, analyses and interprets the economic life of all people in their social-cultural contexts in all places at all times. It examines economic life as part of and as submerged in the total social-cultural order. In this context **Firth (1939)** says that Economic Anthropology deals primarily with "the economics of social relatives". **Nash (1966)** tells that economic anthropology analyses "economic life as a subsystem of society". **Plattener (1989)** also says that Economic Anthropology studies economic behaviour as thoroughly embedded in socio-cultural aspects.

SCOPE OF ECONOMIC ANTHROPOLOGY

The scope of economic anthropology is vast. However, during the period of its formation between 1920 and 1950 its scope was restricted to the study of economic life of the primitives.But its scope has widened as it was developed in the past several decades.
Economic anthropology with its vast scope has apportioned its subject matter among several branches: Anthropology of subsistence systems, Anthropology of economic

history, Anthropology of primitive economies, anthropology of peasant economies, Anthropology of Urban economies, Anthropology of Entrepreneurship, Business Anthropology, Anthropology of Economic Holism and Anthropology of Economic Development.

RELEVANCE OF ECONOMIC ANTHROPOLOGY

Economic anthropologists continue to focus their efforts on new issues and bring new perspectives to debates. They are engaged with discussions of globalisation, transnationalism, development, and economic institutions including the stock markets, multinational corporations, and health care. Ecology, landscape, and environment also influence and guide economic anthropologists' studies as they try to define the complex ways in which our lives are intertwined with the world we live in.

Their interests and methods have shifted from categorising economic behaviour to looking at outcomes and processes that define economic space for individuals, communities, businesses, and social groups.They have also started to apply the tools of economic anthropology, tools forged in the analysis of rural, tribal peoples (those anthropological populations) to new and heretofore understudied settings–board rooms, stock markets, and the like.

FORMALIST VS SUBSTANTIVIST DEBATE

Karl Polanyi in his work '*The Great Transformation , 1944 '*argued that the term economics has two meanings:

1. The formal meaning refers to economics as the logic of rational action and decision-making, as a rational choice between the alternative uses of limited (scarce) resources.
2. The second, substantive meaning, however, presupposes neither rational decision-making nor conditions of scarcity. It simply refers to the study of how humans make a living from their social and natural environment. A society's livelihood strategy is seen as an adaptation to its environment and material conditions, a process that may or may not involve utility maximisation. The substantive meaning of economics is seen in the broader sense of provisioning. Economics is simply the way society meets its material needs.

'Formalism' and 'Substantivism' refers to the two schools of thought in Economic Anthropology which were split into these two groups in the mid-1950s. The distinction between 'formal' and 'substantive' economy was propounded by Hungarian Economic Historian **Karl Polanyi**. Drawing on the work of German Sociologist Max Weber who distinguishes between formal and substantive rationality, Karl Polanyi argued that economy can be defined in two terms – formal and substantive. This differentiation led to

the formation of two schools of thought in Economic Anthropology and Sociology i.e. substantivist and formalist approaches based on two methodological disputes. Formalism is based on a deductive and logical mode of thinking, whereas substantivism is descriptive and built on experience. Formalist orientation is based on the idea of economic rationality of maximising individuals whereas substantivists, including Karl Polanyi, argue that economy is embedded in social-cultural contexts. Polanyi's ideas led to the birth of a new school of thinking in economic anthropology called 'substantivist' orientation, whose prominent members include **Paul Bohannan, Pedro Carrasco, Louis Dumont, Timothy Earle, Maurice Godelier, Claude Meillassoux, John Murra, Marshall Sahlins, Rhoda Halperin, Eric Wolf and George Dalton**.

Formalism is associated with the principles of **capitalist economy** which stands remarkably different from the pre-capitalist economies. It also means that the principles of capitalist economy are seen as universal, thereby subordinating the non-industrial economies to the principles of market economy. Formalists argue that the formal rules of economic theory derived mainly from the study of capitalist market societies can be used to explain the nature and dynamics of non-capitalist economies (mainly simple economies like those of Tribals).

For instance one of the Formalists **Melville Herskovits**, an American Anthropologist, in his book ***'The Economic Life of Primitive People'*** endorsed this position. He said that scarcity and maximising behaviour is a universal character. The same means are applied everywhere to achieve different ends.

The central point of debate between the 2 schools of thought is that - what principles should be applied to study simple economies. Formalists say that principles of maximisation, rationality and supply and demand should be applied to study simple societies. On the other hand Substantive economics dictates that such principles do not apply to simple societies. Trade or Economic relations in simple societies are governed not by profit maximization but by socio-cultural rules.

For example , The Kula Ring exchange is an uneconomic venture but still it is done to reinforce social bonds. The Potlatch ceremony results in destruction of surplus which in itself is anti-economic. As substantivist Marshall Sahlins says *'What money is to west , kinship is to rest'* ; i.e. simple tribal societies care much more about social relationships than economic profit.

While the Substantivist-Formalist debate is considered definitively passé, yet the issues are yet to be resolved.Those who start by looking at society as a whole are left, like the Substantivists, trying to explain how people are motivated to reproduce society; those who start by looking at individual desires end up, like the Formalists, unable to explain

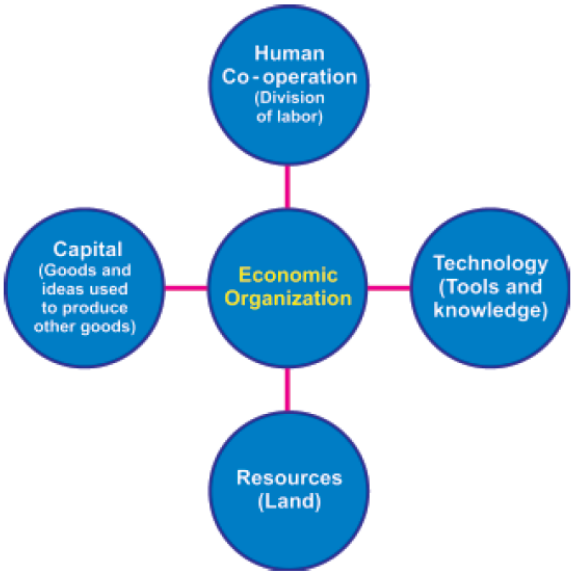
why people choose to maximise some things and not others. Today in a globalised world we have a synthesis of these 2 approaches to study primitive economies. **Amartya Sen's** capability model is followed to develop and grow simple societies.

ECONOMIC ORGANISATION

Economic organisations are a universal aspect of culture; they are seen in all cultures of the world. Economic organisation means a set of actions and behaviours surrounding the processes of *production, allocation and distribution* and the *use and consumption* of goods. In social anthropology, we emphasise the economic institutions of traditional societies where the systems of production, distribution and consumption are socially regulated, organised and reproduced. However, in recent times, modern economic institutions are also studied applying the concepts of formal economics like marginal utility, economising rationality, demand supply etc. Whatever economic institution we may study, the emphasis is to understand the economy as an integral part of the wider social cultural environment.

TRADITIONAL ECONOMIC ORGANISATION

According to **Hoebel and Weaver**, "Economic organisation involves the behaviours that centre upon the production, the allocation and distribution, and the use and consumption of goods". The above authors emphasise culturally defined behavioural networks that operate in various economic activities. Achieving some rhythm and order in the provision of material goods and services for the satisfaction of wants is essential for the survival and continuity of society. In almost all societies, economic organisation exists in one form or the other. Simple societies have simple modes of production which include simple technology and most of the labour constitute family members or relatives. It varies from society to society. The mode of economic organisation is very simple, mostly embedded in direct face to face relationships. Each type of economic organisation ensures some role to all members of the community by means of creating some space in the pursuits related to economic activities. Every member has a purpose to participate in such organised activities.



Components of Economic Organisation

Communal Ownership

In every society, simple or complex, property has important functions. Property signifies social or economic status of a person or a group. Property can be either individually owned (private property) or communally owned (communal property). The concept of property keeps changing with time. Among simple societies, communal ownership is more prevalent. *Hunting and gathering societies* do not have personal properties of their own except some objects like hunting tools, etc. but the *cattle rearing societies* consider their cattle as their property. In some societies, both communal ownership as well as individual ownership of land is present. The *Podu* or Jhuming land or shifting cultivation land are community owned whereas the wetland and horticulture lands are individually owned. The people are issued with pattas (a legal document assigning ownership) with regard to the individual lands.

Division of Labor

Most economic activities, and for that matter any physical activity of some purpose (be it cooking, child rearing ritual etc.), are accomplished by sharing work between a group of workers or participants. Division of labour is a form of "customary assignment of different kinds of work to different kinds of people". Universally men and women, adults and children do not engage in the same kinds of work. In our society, it is usual for the man to plough and the woman to engage in cooking. Adults perform arduous works whereas children do lightworks. **Division of labour based on age and sex is universal though there is variation across cultures**. Further, it must be remembered that as the societies modernise, role reversals and complex specialisations emerge. In simple society, the division of labour is based on certain factors like sex, age, etc. Men and

women carry out different types of jobs. In certain activities, men and women perform the same activities without any division of labour. Though women folk observe certain taboos during times such as menstruation and childbirth, etc., they do not take part in the day-to-day chores, as during such times they are considered impure.

For better understanding of division of labour, let us take an example of the **Savara tribe of Andhra Pradesh** during their shifting cultivation. In the Savara community both sex wise and age wise division of labour is observed. All the family members work collectively as a unit of production under the guidance of the head of the family. The family functions as an economic and social unit except the small children and aged old members. The pattern of division of labour can be classified on the basis of their age and sex. In their daily activities, children from an early age start helping their parents. From the age of 9-10 years, the parents ask their children to watch the field, fetch water, fetch tools etc. As they enter adulthood, they start playing a major role in subsistence by taking up labour-intensive works. The men and women have different and corresponding roles to be played in various activities according to their age.

PRODUCTION IN AN ECONOMIC SYSTEM

Production refers to the process by which human beings transform, through their work, matter or natural resources into some goods, which is consumable or capable of being used to satisfy their need or want.
We would now be looking into the various modes of production ranging from the 'simple' hunting, gathering and fishing, where human beings occupy and wrest from nature their sustenance without transforming it, to the more complex such as animal husbandry and followed by cultivation, which involves the transformation of nature.
In the evolutionary scheme of society, cultivation and animal husbandry invariably appear after hunting, gathering and fishing. Production, for the purpose of simple societies, may be basically studied under the two heads: FOOD COLLECTION AND FOOD PRODUCTION.

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

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

Horticulture : The term 'horticulture', denotes a simple food production strategy involving the growing of crops using *simple hand tools* such as the digging stick and hoe, in the absence of permanently cultivated fields. Horticulture generally does not involve any efforts at fertilisation, irrigation, or other means to restore the fertility of the soil once the growing season is over. As far as the cultural attributes of horticulturist societies are concerned, land is generally owned by the community or kin groups. Horticultural practices are generally of two kinds. The most common one is extensive or shifting cultivation also known as swidden or slash-and-burn (jhum in the Indian context). The other form of horticulture pertains to the planting of long-growing tree crops such as coconut and banana, which after a few years, continues to yield crops for a number of years.

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

Intensive Agriculture : Intensive agriculture enables human beings to cultivate fields permanently by adopting a variety of techniques. It involves the use of fertilisers, both organic such as cow dung and inorganic chemical fertilisers, the use of technologies ranging from the humble plough to the tractor and could also incorporate complex systems of irrigation and water control. Societies practising intensive agriculture generally have individual ownership of land. Such societies are also likely to be characterised by a higher degree of economic specialisation, more complex political organisation, and disparities in the distribution of wealth and power among different sections of the society.

DISTRIBUTION AND EXCHANGE

Distribution and exchange have consistently remained the central focus of anthropologists interested in the study of economic systems and their working in society. While being closely related concepts, the main point of distinction between the two is that while distribution determines the proportion of total output that the individual will receive, exchange determines the specific products into which the individual wants to convert the share allocated to him by distribution. Distribution implies a reward system in which produce is channelled out among individuals or groups by reason of their control over the factors of production or for the labour they expended in the productive process. Exchange, on the other hand, refers to the various processes by which goods (and services) move or are being transferred between individuals or groups, as, for example, between producer and consumer, buyer and seller, donor and recipient.

Anthropologists usually classify various forms of exchange into three major modes:

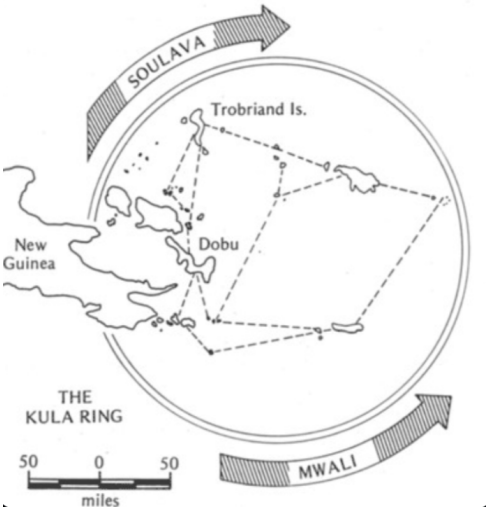
1. **Reciprocity**, in which individuals or groups pass products back and forth, with the aim of helping someone in need by sharing with him or her; creating, maintaining, or strengthening social relationships; or obtaining products made by others for oneself
2. **Redistribution**, in which the members of an organised group contribute products or money to a common pool or fund that is divided (reallocated) among the group as a whole by a central authority
3. **Market Exchange** , in which products are sold for money, which in turn is used to purchase other products, with the ultimate goal of acquiring more money or accumulating more products or both

Significant understanding on exchange and the motives for it came from **Malinowski's** work on trade and gift giving among the *Trobriand Islanders* and **Marcel Mauss'**s classic essay *The Gift published in 1922*.

KULA

Bronislaw Malinowski studied the Trobriand Islanders of Melanesia and published about them in his seminal work ***'Argonauts of the Western Pacific,1922'.***
One classic ethnographic example of balanced reciprocity between trading partners seeking to be friends and do business at the same time is the **Kula ring** in the southwestern Pacific Ocean. This practice was first described by Malinowski and involves thousands of seafarers going to great lengths to establish and maintain good trade relations; this centuries-old ceremonial exchange system continues to this day. Kula participants are men of influence who travel to islands within the Trobriand ring to exchange prestige items—**red shell necklaces (Soulava),** which are circulated

around the ring of islands in a clockwise direction, and **white shell armbands (Mwali),** which are carried in the opposite direction. Each man in the Kula is linked to partners on the islands that neighbour his own.



Kula Ring Exchange

To a partner residing on an island in the clockwise direction, he offers a soulava and receives in return a mwali. He makes the reverse exchange of a mwali for a soulava to a partner living in the counterclockwise direction. Each of these trade partners eventually passes the object on to a Kula partner further along the chain of islands.
The adventure is often *dangerous* and may take men away from their homes for several weeks, sometimes even months. Although men on Kula voyages may use the opportunity to trade for practical goods, acquiring such goods is not always the reason for these voyages—nor is Kula exchange a necessary part of regular trade expeditions. Perhaps the best way to view the Kula is as an indigenous insurance policy in an economy fraught with danger and uncertainty. It establishes and reinforces social partnerships among traders doing business on distant shores, ensuring a welcome reception from people who have similar vested interests. This ceremonial exchange network does more than simply enhance the trade of foods and other goods essential for survival. Melanesians participating in the Kula ring have no doubt that their social position has to do with the company they keep, the circles in which they move. They derive their social prestige from the reputations of their partners and the valuables that they circulate. By giving and receiving armbands and necklaces that accumulate the histories of their travels and the names of those who have possessed them, men proclaim their individual fame and talent, gaining considerable influence for themselves in the process.
Like other forms of currency, soulava and mwali must flow from hand to hand; once they stop flowing, they may lose their value. A man who takes these valuables out of their inter-island circuit invites criticism. Not only might he lose prestige or social

capital as a man of influence, but he might become a target of sorcery for unravelling the cultural fabric that holds the islands together as a functioning social and economic order.As this example from the South Pacific illustrates, the potential tension among trading partners may be resolved or lessened by participation in a ritual of balanced reciprocity. As an elaborate complex of ceremony, political relationships, economic exchange, travel, magic, and social integration, the Kula ring illustrates the inseparability of economic matters from the rest of culture. Although perhaps difficult to recognize, this is just as true in modern industrial societies as it is in traditional Trobriand society— as is evident when heads of state engage in ceremonial gift exchanges at official visits. Malinowski came to the conclusion that exchange among Trobrianders was better seen as a social act than a transmission of usable objects. Exchange, in his view, did not result in economic gain; quite the contrary, it represented a superiority of the giver over the receiver and placed a burden upon the receiver economy, almost all societies of the world are coming within its ambit.

RECIPROCITY

Reciprocity is an exchange transaction that involves direct movement of the goods and services between two parties. Reciprocity is sometimes viewed as simply a process of balancing values, a one for one exchange. Reciprocity consists of giving and taking goods and services in a social medium *without the use of money*, which ranges from pure gift giving to equal exchange to cheating or deceitfulness.

Marshall Sahlins has pointed out that these can be arranged on a continuum according to the degree of balance involved:

1. **Generalised reciprocity**, involving unstipulated reciprocation, is gift giving without consideration of any immediate or planned return. In such a case, the value of the gift is not calculated and the time of repayment not specified. Such type of reciprocity generally occurs only among close kin or people sharing close emotional bonds such as between parents and children, between siblings, close friends etc.For example, most hunter-gatherers expect their band mates to share food and be generous with their possessions, partly because most members of a band are relatives of some kind.

2. **Balanced or Symmetrical reciprocity** occurs when someone gives to someone else, expecting a fair and tangible return - at a specified amount, time, and place. Here, the exchange occurs owing to the desire or need for certain objects. Giving, receiving and sharing constitute a form of social security and it promotes an

egalitarian distribution of wealth over the long run. While generally practised among equals who are not closely related, balanced reciprocity principles may also be evident in gift giving among kin. To cite a particular example, among relatives in many parts of India, it is common practice for kin to give valuable items and even monetary contributions when a relative's daughter is being married off. The implicit expectation being that when their own daughter is married off, similar contributions could be expected from the receivers. While balanced reciprocity generally operates on egalitarian principles, it could also take on a competitive form. Normally, it might be a means for villagers to 'bank' surplus food by storing up *'social credit'* with fellow villagers by giving feasts, with the expectation that the credit will be returned. But affluent villagers might use this mechanism to enhance their social status by throwing lavish feasts and giving costly gifts. A classic example of balanced reciprocity is that of Kula ring exchange.

3. **Negative reciprocity** is the exchange of goods and services where each party intends to profit from the exchange, often at the expense of the other. Practised against strangers and enemies, it could range from barter, deceitful bargaining to theft, and finds social sanction among many societies. For instance, among the **Navajo**, to deceive when trading with foreign tribes is considered morally acceptable. Barter, according to some, is believed to fall within the realm of negative reciprocity, as it is a means by which scarce items from one group are exchanged for desirable goods from another group.

SILENT TRADE also called *dumb barter*, or depot trade, specialised form of barter in which goods are exchanged without any direct contact between the traders. Generally, one group goes to a customary spot, deposits the goods to be traded, and withdraws, sometimes giving a signal such as a call or a gong stroke. Another group then comes to leave a second set of articles and retreats. The first group returns, removing these new goods if satisfied or leaving them until additions are made. The second group then takes the original wares to conclude the transaction.
Such cases have often characterised the dealings between food- foraging peoples and their food producing neighbours—such as the **Veddah** of Sri Lanka's tropical forest, who traditionally offer wild honey to **Sinhalese** in exchange for metal tools.

One example is the silent trade of the **Mbuti "pygmy" foragers of the African equatorial forest** and their neighbouring horticultural villagers. There is no personal contact during their exchanges. A Mbuti hunter leaves game, honey, or another forest product at a customary site. Villagers collect it and leave crops in exchange. Often the parties bargain silently. If one feels the return is insufficient, he or she simply leaves it at the trading site. If the other party wants to continue trade, it will be increased.

To speculate about the reasons for silent trade, in some situations it may be silent for lack of a common language. More often silent trade may serve to control situations of distrust so as to keep relations peaceful. Good relations are maintained by preventing direct contact. Another possibility that does not exclude the others is that it makes exchange possible where problems of status might make verbal communication unthinkable. In any event, it provides for the exchange of goods between groups despite potential barriers.

REDISTRIBUTION

Redistribution is a pooling transaction in which the goods are collected from the members of a group by a central authority and then divided among the members of the group. Redistribution refers to a kind of economic exchange characterised by the accumulation of goods (or labour), with the objective of subsequent distribution within a social group according to culturally-specific principles. Social organisation of reciprocity and redistribution is different. Redistribution is a collective action among several parties, whereas reciprocity is the action and reaction of 2 parties. Redistribution requires a social centre and for this reason redistribution is associated with groups headed by a central authority, such as chief.

While redistribution exists in all societies within the family where labour or products or income are pooled for the common good, it emerges as an important mechanism in societies with political hierarchies. In the latter, it requires a centralised political mechanism to coordinate the collection and distribution of goods. **While it serves as a mechanism for dispensing goods within a society, it could also be a means for a chief to consolidate his political power and gain in prestige.** This seems to be an objective of the *potlatch* where chiefs compete with each other to give away and destroy goods of value. In less centralised societies that do not have formal chiefs, the economic entrepreneur or the *'big man'* may carry out such acts. In modern market economies, redistribution takes place through taxation by the state, whereby resources are allocated back to individuals or groups within society, either through the provision of public services or directly through welfare benefits.

Potlatch

A potlatch is a ceremonial event in which a village chief publicly gives away stockpiled food and other goods that signify wealth. (The term comes from the Chinook Indian word patshatl, which means "gift.") . Traditionally, a chief whose village had built up enough surplus to host such a feast for other villages in the region would give away

large piles of sea otter furs, dried salmon, blankets, and other valuables while making boastful speeches about his generosity, greatness, and glorious ancestors. While other chiefs became indebted to him, he reaped the glory of successful and generous leadership and saw his prestige rise. In the future, his own village might face shortages, and he would find himself on the receiving end of a potlatch. Should that happen, he would have to listen to the self-serving and pompous speeches of rival chiefs. Obliged to receive, he would temporarily lose prestige and status.

In extreme displays of wealth, chiefs even destroyed some of their precious possessions. This occurred with some frequency in the second half of the 19th century, after European contact triggered a process of cultural change that included new trade wealth. Outsiders might view such grandiose displays as wasteful in the extreme. However, these extravagant giveaway ceremonies have played an ecologically adaptive role in a coastal region where villages alternately faced periods of scarcity and abundance and relied upon alliances and trade relations with one another for long term survival. The potlatch provided a ceremonial opportunity to strategically redistribute surplus food and goods among allied villages in response to periodic fluctuations in fortune.

A strategy that features this sort of accumulation of surplus goods for the express purpose of displaying wealth and giving it away to raise one's status is known as a **prestige economy**. In contrast to **conspicuous consumption** in industrial and postindustrial societies, the emphasis is not on amassing goods that then become unavailable to others. Instead, it is on gaining wealth in order to give it away for the sake of prestige and status.

The potlatch is an example of a **levelling mechanism**—a cultural obligation compelling prosperous members of a community to give away goods, host public feasts, provide free service, or otherwise demonstrate generosity so that no one permanently accumulates significantly more wealth than anyone else. With levelling mechanisms at work, greater wealth brings greater social pressure to spend and give generously. In exchange for such demonstrated altruism, a person not only increases his or her social standing in the community, but may also keep disruptive envy at bay.

In Anthropology potlatch has been studied extensively by (Franz Boas ,1888 & Marcel Mauss, 1925)

Redistribution may be a matter of custom, law, or special decision. Sometimes there is actual collection, storage and distribution of goods. At other times, collection is not physical but consists of assignment of the right to use the goods in a particular area (i.e., group A may have grown food in this section of field, group B from other section). The reason for redistribution can vary too. For example, it may stem from the fact that different regions from a large country produce things that other regions may not

produce, or that the time at which food is needed and harvest times may be months apart. Finally, redistribution may apply not only to whole societies but to small groups as well.

MARKET/MARKET EXCHANGE

In very broad terms, a market/ market exchange involves the buying and selling of goods, labour, land, rentals, credit etc. by persons, using an intermediary token of common exchange value. While most of such transactions take place in a specifically designated market place, a market may exist without a designated physical place. This is more so in the contemporary world, where significant market transactions take place on the internet. On the other hand, in simple societies, a marketplace may signify much more than a place where economic transactions are performed. In rural and tribal India, even today, weekly haats or markets provide an opportunity for people to renew friendships, exchange local gossip, arrange marriages, while some may also have deep cultural significance. Reliance on the market and the use of general-purpose money is increasing universally, with traditional subsistence giving way to commercialization due to factors like demand, increased interaction with other societies etc.

A Market Exchange requires:

- Some object that serves as a medium of exchange— that is, money
- A rate at which particular goods and services exchange for money—that is, prices

UTILISATION OR CONSUMPTION

The third component of the economic system following from production, distribution and exchange is utilisation or consumption. Consumption has two meanings: First, it is a person's "intake" in terms of eating or other ways of using things; second, it is "output" in terms of spending or using resources to obtain those things. Thus, for example, "intake" is eating a sandwich; "output" is spending money at the store to buy a sandwich. Both activities fit within the term "consumption."

In categorising varieties of consumption, it makes sense to consider two contrasting modes, with mixed modes in the middle. They are based on the relationship between demand (what people need or want) and supply (the resources available to satisfy demand):

• *Minimalism*: a mode of consumption characterised by few and finite consumer demands and an adequate and sustainable means to achieve them. It is most characteristic of free-ranging foragers but is also found to some degree among horticulturalists and pastoralists.

• *Consumerism*: a mode of consumption in which people's demands are many and infinite, and the means of satisfying them are never sufficient, thus driving colonialism, globalisation, and other forms of expansionism. Consumerism is the distinguishing feature of industrial cultures.

MAJOR ECONOMIC ACTIVITIES IN SIMPLE SOCIETIES

1. HUNTING AND GATHERING: Hunter-gatherers—also called foragers—acquire food from collecting (gathering) the wild plants and hunting (and/or fishing for) the animals that live in their regions. On current evidence, Homo sapiens have existed as a separate species for less than 100,000 years and as a biped for millions of years. But no one on Earth farmed crops or herded livestock until about 10,000 years ago, and most people continued to live off wild plants and animals until just a few thousand years ago. Hunting and gathering thus supported humanity for more than 90 percent of our existence as a unique species and even more as a biped. After Western exploration and colonialism brought so many indigenous people into larger systems, few hunters and gatherers have survived and this mode of livelihood is on the *verge of extinction*.
Only around 250,000 people worldwide provide for their livelihood predominantly from foraging now. Most contemporary foragers live in what are considered marginal areas, such as deserts, tropical rainforests, and the circumpolar region. These areas, however, often contain material resources that are in high demand in core areas, such as oil, diamonds, gold, and expensive tourist destinations. Thus, the basis of their survival is threatened by what is called the *RESOURCE CURSE*: people in rich countries desire the natural resources in their areas, which leads to conversion of foraging land to mines, plantations, or tourist destinations, in turn leading to the displacement of foragers from their homeland.
EXAMPLES: In Africa- Pygmies, Pygmoid tribes ; In Asia- scattered over India, Malaya Islands, Andaman Islands, Chenchu, Peliya, Irula, Panyan, Chenchu, Kadars in South India; Australia- South East tribes such as Kariera, Kulin living on edge of Gibson desert.

Characteristics Of Hunter-Gatherers :

- Food gathering economy is characterised by nomadism and semi nomadism because activities in search of food and water in different parts of forest, desert or tundra often necessitate several wandering and seasonal moves.
- Supports lowest population density.
- Small sized self-sufficient local groups. Local group is a self-sufficient economic unit. It is invariably a small nomadic band or semi nomadic settlement in which 25 to 30 individuals are clustered.
- It is characterised by simple economic resources namely technology, division of labour, land ownership and capital. The tools and instruments used for collecting the plants and for killing the animals are few. Digging stick and collection basket are used for collecting food from the forest. Special baskets may be used for collecting honey. Several types of containers such as bags, nets and baskets are also used for collecting seeds and nuts.

Division of labour runs on simple lines. Full time craft specialisation is absent. In fact there is no individual, group or regional specialisation. The main division of labour is between sexes. In many societies' men engage themselves in hunting. Women often participate in gathering, digging for roots and tubers , while men are the hunters.
Land ownership is practised according to specific rules. Hunters and gatherers determine who can hunt and gather and where. Collecting areas and hunting zones of the different local groups within the tribal society are marked out by convention. They are properties of the group, not individual. Capital in food gathering society is very limited. The capital consists of few and simple tools because of the need for nomadic or semi nomadic life.
• Food gathering economy is often characterised by absence of surplus and trade. One remarkable feature of the food gathering economy is that the tribes have no surplus or rarely have little surplus left with them after satisfying their needs, which they could use for barter, exchange or trade.
• It favours informal political leadership. The general tone of sociopolitical organisation is almost always democratic.

2. PASTORALISM:
Historically, pastoral economies came into existence at about the same time as horticultural and agricultural economies came into existence in the old world. In fact, animals were first domesticated about the same time plants were cultivated and two practices typically went hand in hand in the horticultural and agricultural societies of the old world. Crops could not be cultivated because of insufficient rainfall, the shortness of the growing season, or the mountainous character of terrain.
Pastoralism is a mode of livelihood based on domesticated animal herds and the use of their products, such as meat and milk, for 50 percent or more of the diet. Pastoralism has long existed in the Middle East, Africa, Europe, and Central Asia, especially where rainfall is limited and unpredictable. Worldwide, the six major species of herd animals are sheep, goats, cattle, horses, donkeys, and camels. Three others have more restricted distribution: yaks at high altitudes in Asia, reindeer in northern sub-Arctic regions, and llamas in highland South America. Many pastoralists keep dogs for protection and for help with herding.
In terms of food, pastoralism provides primarily milk and milk products, with occasional slaughtering of animals for meat. Thus, pastoralists typically form trade links with foragers, horticulturalists, or farmers in order to obtain food and other goods that they cannot produce themselves. Prominent trade items are food grains and manufactured items, such as cooking pots, for which they offer milk, animals, hides, and other animal products.

Like foraging and horticulture, pastoralism is an extensive strategy. A common problem for all pastoralists is the continued need for fresh pasture and water for their animals. Herds must move or else the grazing area will become depleted.

EXAMPLES: European Arctic and Finland and the Chukchi of Russian Siberia ; African Tribes like Nuer, Dinka and Masai ; Bakharwal, Gaddi, Todas of India;

Characteristics of Pastoral Tribes:

• Characterised by Nomadism, Semi Nomadism and sedentariness. As groups move from place to place in response to their animal nerds, they are nomads. They are seasonal nomads.

• Low population density.

• Small size communities. Given the limited resources of their territories, large and dense settlements are impossible.

• Pastoral economy includes moderate economic resources. Technology includes several tools, utensils and containers, besides numerous techniques of stock raising. Plates, buckets, milking, bags, sacks, etc. Wooden and metal bells, leather straps are also used. Land ownership is governed by specific rules to determine who has rights to watering places and grazing lands. Division of labour is based on age, sex and specialisation. The basic economic activity in pastoral societies is man's work. Men herd the animals, milk them, sometimes tap blood from them. Women attend to the preparation of curd, butter, and cheese. Some men may specialise in branding animals, some trimming the horns, etc. The most important forms of property among pastoralists are, by far, animals, followed by housing (such as tents or yurts) and domestic goods (rugs and cooking ware). Depending on the group, ownership of animals is inherited through males, most commonly, or less frequently, through females, as among the **Navajo.**

• Pastoral economy is characterised by frequent food shortages. Pastoralists are often partially dependent on plant foods grown by their agricultural neighbours.

• Pastoral economy is characterised by some surplus and trade. In the form of meat and dairy products, wool, hide, woollen blankets, carpets, etc.

• They favour part time and full-time political leadership. Raiding and warfare are frequent activities and this stimulates the growth of political authority.

3. HORTICULTURALISTS: 10,000 years ago, inhabitants of the Middle East discovered that plants grow from seeds and applied this new insight to humanity's perennial problem of obtaining food. Horticulture is a mode of livelihood based on cultivating domesticated plants in gardens using hand tools. Garden crops are often supplemented by foraging and by trading with pastoralists for animal products. Horticulture is still practised by many thousands of people throughout the world. Prominent horticultural regions are found in sub-Saharan Africa, South Asia, Southeast Asia and the Pacific, Central America, South America, and the Caribbean islands. Major horticultural crops include yams, corn, beans, grains such as millet and sorghum, and several types of roots, all of which are rich in protein, minerals, and vitamins.

EXAMPLES: Hopi, Zuni Red Indians in North America ; Yanomami in South America
In India: Muria, Gond, Rengma, Naga, Ao, Naga Abor

Characteristics of Horticulturalists:

• Horticultural economy- sedentary; permanent settlement- move only after exhaustion of soil.

• Moderate population density ; Small and moderate size self-sufficient groups.

• Simple and moderate economic resources. Technology includes simple hand tools and simple methods of farming. Small amounts of land are worked at one time mostly with hand tools like digging sticks, hoe or spade. Horticulture involves the use of handheld tools, such as digging sticks, hoes, and carrying baskets. Rain is the sole source of moisture. Horticulture requires rotation of garden plots in order for them to regenerate. *Thus, another term for horticulture is shifting cultivation*. Average plot sizes are less than 1 acre, and 2.5 acres can support a family of five to eight members for a year.Division of labour is on age, sex and some specialisation*. Women's contribution to subsistence activities is greater than that of men in horticultural societies*. Children work more in horticultural societies than in any other mode of livelihood (**Whiting and Whiting, 1975**)
Private property is not characteristic of horticultural societies. Use rights are typically important, although they are more clearly defined and formalised than among foragers. By clearing and planting an area of land, a family puts a claim on it and its crops. The production of surplus goods allows the possibility of social inequality in access to goods and resources. Rules about sharing within the larger group decline in importance as some people gain higher status.Horticultural economy is characterised by plenty of food and infrequent food shortages.

• They favour some part time political leadership. Some persons may be part time craftsmen or part time political officials; certain members of a kin group such as lineage heads, tribal chiefs, shamans and priests may have more status than others in society.

SHIFTING CULTIVATION (One form of Horticulture)

The beginning of shifting cultivation goes back to the Neolithic times i.e., 8,000-10,000 years ago. Shifting cultivation is prevalent in many parts of the world, especially Sumatra, North Burma, Borneo, New Guinea, and in many parts of the African continent. Shifting cultivation is also referred to as slash-and burn or swidden cultivation. In India, shifting cultivation is known by different names in tribal regions. In North East India, it is denoted as jhum, in Orissa as podu, dabi, koman or bringa, in Bastar as deppa, in Western Ghats as kumari, in South East Rajasthan – the Matra and Maria tribal groups call it penda, in Madhya Pradesh as bewar or dahia.Shifting cultivation is an age-old socio-economic practice among many tribal communities inhabiting the world. It is a distinct type of agriculture generally practised on the hill slopes. Since the days of early civilization several groups of tribal communities in India are practising this method of cultivation as their primary source of subsistence. This process resulted in a new socio-economic situation for the Neolithic people when they shifted from nomadic way of living to settled way of life. These groups tried to emerge as food producers from the food

gathering stage. After cutting and burning the vegetation known as slash and burning method, seeds are sown by using the simple digging stick. They raise crops for a few years and then abandon the field as the soil loses its fertility due to burning of the vegetation. The people then move on to another place to begin a new cycle. After some years, they return to the same patch of land for shifting cultivation which they had left fallow for the natural vegetation to grow and also for the soil to regain its fertility. The duration of the fallow period depends upon the availability of land with forest vegetation and the size of the group practising shifting cultivation. At present, on an average, the fallow period by the tribal groups practising shifting cultivation has come down from a few decades to a few years.

4. SETTLED AGRICULTURE: Agriculture is a mode of livelihood that involves growing crops on permanent plots with the use of ploughing, irrigation, and fertiliser; it is also called farming. In contrast to foraging, horticulture, and pastoralism, agriculture is an intensive strategy. Intensification involves the use of techniques that allow the same plot of land to be used repeatedly without losing its fertility. Crucial inputs include substantial amounts of labour for weeding, use of natural and chemical fertilisers, and control of water supply. The earliest agricultural systems are documented from the time of the Neolithic period, beginning around 12,000 years ago in the Middle East. Agricultural systems now exist worldwide, on all continents except Antarctica.

Almost 8000 years ago, there were many important advances in farming. Scores of new plants are brought under cultivation. A large number of animals were domesticated. The principles of irrigation, fertilising and weeding were discovered. But none had the impact of plough. Cultivation with the animal drawn plough exists in North America, Europe and Asia.

Agriculture relies on the use of domesticated animals for ploughing, transportation, and organic fertiliser either in the form of manure or composted materials. It is highly dependent on artificial water sources such as irrigation channels or terracing the land. Like the modes of livelihood already discussed, agriculture involves complex knowledge about the environment, plants, and animals, including soil types, precipitation patterns, plant varieties, and pest management. Long-standing agricultural traditions are now being increasingly displaced by methods introduced from the outside, and so the world's stock of indigenous knowledge about agriculture is declining rapidly. In many cases, it has become completely lost, along with the cultures and languages associated with it.

EXAMPLE: Some of the tribal societies which practice agriculture are Baiga, Bhil, Bhuriya, Ho, Lepcha, Oraons, etc in India.

Characteristics of Agricultural Societies:

- Sedentary lifestyles
- Can support the highest population density.

• Permanent rural and urban communities. It supports large villages, towns and cities. Towns and cities grow up from agricultural settlements spurred by higher crop yield and increased population.
• It is characterised by complex economic resources.Technology includes complex agricultural and several methods of cultivation. The equipment consists of animal drawn ploughs, harness, levellers, knives, spades, sickles, etc.Division of labour is based on age, sex and high degree of specialisation. Exists in all tribal societies dependent on the agricultural economy. Women in agricultural societies contribute less to subsistence than do women in horticultural societies. Craft specialisation is present to a high degree. Land ownership is both individual and community based. Ownership by lineage, clan or phratry is common.Capital includes money, draught animals, levellers, spades, manures and other artefacts. Agricultural economy is characterised by frequent shortages and very important trade. Agricultural societies cultivate rice, millets, pulses, etc. They rely on their own cultivation. They also face food shortages due to unreliable rainfall and drought. Presence of wide individual differences in wealth. Agricultural success provides for economic inequalities in terms of land, money, and number of animals.
• It favours full time political leadership. Wealth tends to follow power.

The Cultivation Continuum

Because nonindustrial economies can have features of both horticulture and agriculture, it is useful to discuss cultivators as being arranged along a cultivation continuum. Horticultural systems stand at one end—the "low-labour, shifting plot" end. Agriculturalists are at the other—the "labour intensive, permanent-plot" end. We speak of a continuum because there are today intermediate economies, combining horticultural and agricultural features—more intensive than annually shifting horticulture but less intensive than agriculture. Unlike non-intensive horticulturalists, who farm a plot just once before fallowing it, the South American Kuikuro grow two or three crops of manioc, or cassava—an edible tuber—before abandoning their plots.
Cultivation is even more intense in certain densely populated areas of Papua New Guinea, where plots are planted for two or three years, allowed to rest for three to five years, and then recultivated. After several of these cycles, the plots are abandoned for a longer fallow period. Such a pattern is called **sectorial fallowing (Wolf 1966)**.
Sectorial fallowing is associated with denser populations than is simple horticulture. The key difference between horticulture and agriculture is that horticulture always uses a fallow period whereas agriculture does not. The earliest cultivators in the Middle East and in Mexico were rainfall-dependent horticulturalists. Until recently, horticulture was the main form of cultivation in several areas, including parts of Africa, Southeast Asia, the Pacific islands, Mexico, Central America, and the South American tropical forest.

Previous Year Questions From Unit 3:

1. **Critically examine the various Anthropological interpretations about the Kula Ring. (2022)**
2. **Note on: Debate between formalist and substantivist approaches (2022)**
3. **Note on: Modes of Subsistence (2021)**