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2 DISTRIBUTION AND EXCHANGE

This chapter explores a region of the 'economy' which, like 'production' has generally been very rigidly defined within tight limits. The purpose of this chapter, then, is to unravel the concepts of 'distribution' and 'exchange' in order to open them to the wider field of forces of social reproduction. The approach will attempt a critique of concepts such as 'reciprocity', the 'market', 'money', 'value', 'embeddedness', etc. This will help to clarify the general use of such terms in anthropological literature. At the same time I will try to show that economic processes should necessarily be conceived as part of a wider set of social relations where meaning – not only matter – is an inescapable aspect of the material conditions of any life-sustaining process. As an example, the last section discusses the controversial argument that a 'market culture' was the crucial element in the construction of a capitalist system in Europe.

FORMS OF RECIPROCITY AND REDISTRIBUTION

Mauss: the gift, a social bond

Distribution is a function of allocation, exchange (or circulation) is a function of movement and substitution. Although analytically distinct, both appear generally as indistinguishable in the movement mediating production and consumption. Together they describe the process by which things produced get into the hands of the final consumers. However, many objects are not consumed in the sense that they are destroyed during a final use; many objects are entangled in processes of 'consumption' with the aim of creating and recreating social bonds through continuing transactions. In both cases, transactions are the movement of products between people and generally some kind of

transformation of their meaning arises during the process. Things acquire meaning because they embody social relations of production and because they produce and reproduce social relations during distribution.

Marcel Mauss was a French sociologist and anthropologist, and a disciple of Emile Durkheim. In 1923–4, he wrote an essay on *The Gift: The Form and Reason of Exchange in Archaic Societies* (1990 [1923–4]) which had a lasting influence in economic anthropology. The origin of his study was his interest in contracts, in the nature of the bond that constitutes human transactions, together with his interest in exchange. Thus from the start both material and moral aspects formed the core of his research. He used the comparative method ranging from 'primitive' contemporary societies such as Melanesian and Polynesian or American west coast groups, to Ancient European societies. Mauss tried to explain, first, why the gift created an obligation to be returned: what was the norm of right and interest (moral and material) that engaged the recipient in a reciprocal transaction, and, second, what in the object enforced reciprocating action. The gift appeared as a form of transaction very different to the acts of exchange taking place in our society. Indeed, in Western contemporary societies, people appeared separated from their social context and confronted as individuals during transactions; things were severed from people in an autonomous realm of exchange.

In Mauss's analysis, the gift appeared as a 'transitional' form of exchange placed between *total prestations* (as in the west coast potlatch where the social group as a whole is involved in a phenomenon embracing religious, economic and social intent) and the 'pure individual contract' existing in market systems. Thus the gift form appears in an evolutionary framework of exchange forms, although Mauss points that the moral and economic entanglement associated with it is 'still constantly at work today in our societies in an underlying way ...'. In the gift, as in total prestations, things and persons are intertwined and reciprocally constitutive of their values. In total prestations, moreover, all the realms of society are reproduced simultaneously through the transaction.

The analysis of the gift transaction describes three 'obligations' associated with it: to give, to receive, to return. However, the particularity of the gift in Mauss's view, as opposed to other forms of exchange, is that apparently voluntary and disinterested acts of generosity

involving the transfer of goods are in fact to be seen in the context of social constraints that make giving, as well as receiving and returning the gift, into an obligation. But what is the nature of the constraint? Two hypotheses are offered: first, that the social relations existing between people are expressed in the material bonding of the gift; second, that the material object transferred as a gift embodies in such a way the person(s) of its previous holder(s) that it pulls back toward the giver and creates a return-gift field of force. On the one hand, the gift is based on symmetrical norms regulating transfer movements: giving-receiving and returning-receiving. This symmetry is defined as *reciprocity*. On the other hand, the force that impels the movement is based on the nature of the gift where things and people, material relations and social (and spiritual) relations cannot be dissociated. Speaking of the *kula* exchange in the Trobriand Islands (the best example of gift transactions), Mauss writes: 'Sociologically, it is once again the mixture of things, values, contracts and men that is expressed' (1990:26). As a result the *kula* gift valuables create and transfer a multiplicity of rights of different people over one object, while the circulation of the gift object produces and embodies social bonds which define its value.

In contrast to societies where the gift system of exchange is a core institution (although not an exclusive one as the Trobriand example shows, for the exchange of 'valuables' occurs in the context of other types of exchange such as barter) our Western societies are based on a clear dissociation between people and things which is reflected in law in the distinction between *real* rights (over things) and *personal* rights (between people) (see also Durkheim 1933:115-25; Gregory 1982). For Mauss 'Such a separation is basic: it constitutes the essential condition for a part of our system of property, transfer and exchange' (1990:47).

Generalised, balanced, negative reciprocity and social distance

Malinowski had in 1922 described the 'mutual exchange of gifts' between partners belonging to different communities and tied by the institution of the *kula* ceremonial exchange of valuables. He had also described different forms of exchange, of gifts and counter-gifts, giving a typology including 'pure gifts', 'customary payments, repaid irregularly

and without strict equivalence', 'payment for services rendered', 'gifts returned in economically equivalent form', 'Exchanges of material goods against privileges, titles and non-material possessions', 'Ceremonial barter with defined payment' and 'Trade, pure and simple'. He then suggested that 'It will be ... interesting to draw up a scheme of exchanges, classified according to the social relationship to which they correspond' (Malinowski 1961 [1922]: 176-94). Mauss's elaboration of Malinowski's and other ethnographers' descriptions of primitive exchange presented a theory of the gift as the central institution of the primitive exchange systems. His analysis and abstract rendering of the form of this transaction explicitly proposed 'reciprocity' as the actual structure of the exchange: a movement impelled by the social and moral forces binding people and things. From then on, anthropologists studying transactions in non-Western societies increasingly used the concept of reciprocity as particularly suited to economies strongly embedded in the fabric of social life and lacking a generalised market-price system for establishing equivalence of value.

However, specific definition and finer development of the concept did not emerge clearly until the 1960s, mainly through the efforts of Gouldner and Sahlins. Gouldner (1960:170) defined 'a generalised moral norm of reciprocity which defines certain actions and *obligations* as repayments for benefits received'. Moreover, the *value* of the benefit received and thus of the obligation incurred is related to 'the recipient's need at the time the benefit was bestowed, the resources of the donor, the motives imputed to the donor, and the nature of the constraints which are perceived to exist or to be absent' (1960:171). Reciprocity, then, is defined as a *moral norm* structuring the giving and returning of *help*: 'If you want to be helped by others you must help them' (1960:173). Two variables are important in the discussion of reciprocity: *equivalence of value* as defined by those involved in the transaction; and *time* elapsed between gift and return movements.

Following the insights in Malinowski's Trobriand exchange typology and its correspondence with social relationships, Sahlins (1965) puts forward three main types of reciprocity which he then associates with *social distance*, that is, the distance between people according to their location in the social structure of the tribe. His proposal is meant for lineage tribal societies such as that described by Evans-Pritchard, in *The Nuer* (1940), but has in fact been used as a universal typology of reciprocity forms. In *generalised reciprocity* equivalence of value is not

stipulated. Need of the recipient seems to be the impelling force setting the transfer's movement and content, in a context where the moral norm of reciprocity is very strong – within the closely knit social fabric of the domestic group, or the small local community. Help is given and is expected if need arises, but there is not a one-to-one relation between gift and return movements, nor between value of goods transferred. Also, time between transfers in opposite directions is undetermined and need is once again the basic criteria for returning past help. Generalised reciprocity describes transfers in a social context where people are all more or less in debt with each other. In fact the ambiguity and indeterminacy of transfers strengthens the social obligation and subsumes material interest to it. In this context giving is always returning some help received some time by someone close. Following Sahlins's typology, generalised reciprocity is associated with the closest kinship and spatial relations, that is, with the minimum social distance: the domestic group and the local lineage segment. Gouldner had previously suggested that generalised social indebtedness might be a function of the reciprocity norm: by delaying repayment and inhibiting complete equivalence reciprocity generates stability in the social system. In generalised reciprocity, moreover, goods are entangled in the social fabric in such a way that they appear as extensions of personal obligations and never seem to acquire the autonomy necessary for establishing equivalences of value.

Balanced reciprocity takes place in a less closely knit social ground where social ties are clearly distinct from material interests. Transfers of goods are therefore regulated by exchange partners as to the equivalence of value and the delay admitted for the return movement. Following Malinowski's description of 'gifts returned in economically equivalent form', Service (1966) defines the "perfect type" of balanced reciprocity as 'a simultaneous exchange of identical goods'. This sort of immediate and identical exchange, however, seems to stress in fact the creation of symbolic and social ties between individuals or groups *through* material items, although it is the equivalence expressed in the material item's value and the negation of indebtedness that establish the quality of the social bond. Generally, balanced reciprocity is used as a concept describing exchanges where give and return movements must compensate each other within a specific time frame. The material aspect of the transaction is still embedded in social relationships and frequently appears as a medium through which social bonds are produced and

reproduced, but it is not subsumed by them. Transfer movements might result from material interests or social bonds, but are always closed give–receive/return–receive transactions that must be completed. Several such transactions might be conducted recurrently by the same actors, articulating different balanced reciprocity exchanges in a continuous and long-lasting social relationship. Such is the case of 'exchange partners' in many tribal societies. According to Sahlins, balanced reciprocity is associated with medium range social distance: distant kin, non-local tribe members, people who are situated at an intermediate social distance within the kinship and political organisation of lineage tribal societies.

Negative reciprocity prevails where social distance is greater and material interest is the sole motive of the transaction. Typical examples are theft, swindle, bargaining, where the negative social relation is a direct result of the material gain obtained by the opposing party. Transfers are initiated by a 'taking' not a 'giving' movement and are deemed completed when the goods sought are obtained. In its strongest forms such as war plunder it is a unilateral transfer. In milder forms such as bargaining, the opposing parties try to 'take' as much as possible. Negative reciprocity transfers might be 'returned' by the previous losers in a symmetrical but likewise independent and unilateral movement, 'taking revenge'. However, as in generalised reciprocity, negative reciprocity might involve recurrent transfers in the same direction without any predictable 'return' movement. Such is the case of colonial exploitation of resources by the metropolitan nations. Although material gain is the basis of negative reciprocity, it is also embedded in social relations. Enemies, competitors, colonial subjects are bound by social ties whose laxity – such as in bargaining – or negative intensity – such as in political antagonism and violent confrontation – are the ground that enable material interests to express themselves in an unbridled and dangerous manner.

Redistributive systems: Polanyi's typology and the integration of the economic process

Polanyi's (1957) contribution to economic anthropology is rooted in his definition of the concept of 'economic', where he distinguishes two separate meanings: *real* (or *substantive*) and *formal*. The first derives

from empirical observation and refers to the relationships that human groups establish with their natural and social environment in order to provide material goods or services. The second derives from a general logic of rational action implying explicit ends and delimited means and the allocation of scarce resources between alternative uses. The formal meaning of 'economic' only coincides with the real meaning in market integrated societies, that is where 'the institutional complex which integrates the system ... is the supply-demand price mechanism working through a national network of labour, resource and product markets' (Dalton 1971b [1961]). All societies, however, give *unity* and *stability* to the *real* economic activity through which material goods and services are continuously provided. Interdependent and recurrent movements for the use of natural resources and the organisation of human cooperation form a structure that integrates economic processes in every society. This is defined by Polanyi (1957) as the *institutionalisation* of economic activity and it will follow different patterns of integration in different societies. According to Polanyi, who compares a wide range of past and present societies, three main patterns integrate the economies: *reciprocity*, *redistribution* and *exchange*.

Reciprocity as an integrative pattern of economic processes occurs in societies where given symmetrical structures – such as kinship moieties – organise movements between a group of people. *Redistribution* defines movements going first towards a central point and being distributed to diverging points from there. This pattern appears in societies with a centralised political structure such as chiefdoms, kingdoms, etc., where goods and services flow towards the centre through tribute or kinship obligations and are redistributed in feasts, during work parties or whenever there is a need to consolidate the power structure. It is important to keep in mind that these patterns of economic activity do not concern only the distribution of products but also production and the allocation of labour. For example, an elaborate division of labour such as that existing in the ancient kingdoms and empires of China, India, Peru, was possible because of the mechanism of redistribution (Polanyi 1971 [1944]):

These instances show that redistribution also tends to enmesh the economic system proper in social relationships. ... The production and distribution of goods is organised in the main through collection, storage, and redistribution, the pattern being focused on the chief, the temple, the despot, or the lord. (Polanyi 1971:52)

Exchange for Polanyi has three different applications. First 'the merely locational movement of a "changing of places" between the hands'. Second, a movement of appropriation at a set rate. Third a movement of appropriation at a bargaining rate (1957:254–5). In its second and third meaning, exchange implies the existence of equivalences between the goods and services exchanged. The equivalences can be fixed, regulated by some political instance such as the state, municipal or guild authorities; or they can be regulated by the exclusive dynamic of the market: supply and demand. It is in this last instance alone that the integration of the economy follows a market pattern and that we are confronted with a market system economy. The peculiarity of the market pattern of integration is that it is not structured by a social institution with functions in other realms of society, but by its own specific 'economic' institution: the market.

Ultimately, that is why the control of the economic system by the market is of overwhelming consequence to the whole organisation of society – it means no less than the running of society as an adjunct to the market. Instead of economy being embedded in social relations, social relations are embedded in the economic system. (Polanyi 1971:57)

These forms of institutionalisation of economic activity must not be confused with mere aggregate of interpersonal behaviour; rather, they must appear as the backbone structuring economic processes as a *system* within a society. In fact, a society whose economy is integrated by a redistributive pattern will probably harbour reciprocal and exchange behaviours as well, but not as part of an institution structuring society.

Polanyi's typology, therefore, is meant to dispel the universalist assumption that a logic of rational economic choice for the achievement of ends with scarce means is present in all economic processes. Methodologically, this *formal* definition is unable to explain *real* economic activities in societies other than those integrated by a market system. In other societies 'The human economy, then, is embedded and enmeshed in institutions, economic and non economic. The inclusion of the non economic is vital' (Polanyi 1957:250). Only in societies where the market system integrates economic activities does 'the economy' appear disembedded from other social relations. In fact, Polanyi shows in *The Great Transformation* (1971 [1944]) that

the economy is embedded in other social institutions even in industrial capitalism.

A critique of the reciprocity concept: towards a 'reproduction' approach

In the last twenty years A. Weiner (1976, 1978, 1980) has constructed a critique of the models based on 'norms of reciprocity', and has proposed a 'model of reproduction' which seeks to integrate into wider time/space and material/symbolic frameworks the broad range of transactions occurring in a society. This theoretical perspective emerges from her own fieldwork in the Trobriand Islands, and her interest in transactions of valuables between women during mortuary ceremonies. The confrontation of her data and analysis with that of Malinowski (the origin of the gift/counter-gift exchange theories which developed into Sahlins's mechanical model of reciprocity) suggested that transactions among Trobrianders could not be understood as 'linear sequences basically concerned with discrete acts of giving and receiving' (Weiner 1980:71). Whereas Sahlins, following Malinowski, construed his model upon the different determination of equivalences in the return side of the transaction, Weiner defines the process of 'replacement' as the central one in transactions when considered from a long-term viewpoint. 'Replacement' occurs when a living person 'takes the place' of a dead person in order to prolong the deceased's claims, possessions and obligations. 'Replacement' and reclaiming practices knit a complex web of transactions and meaning.

Inherent in the replacement process is that payment received has long-range expanding effects. What one individual gives to another not only creates obligations between giver and receiver, but eventually involves other kin who must use their own resources to reclaim what has been given to a non-kin ... by someone else. ... The replacement process, on one hand, puts a drain on resources, but on the other hand, the process allows for long-term regeneration of intergenerational (and intragenerational) social relations, thereby giving the system a dimension of reproductive potential. (Weiner 1980: 78-9)

During mortuary ceremonies significant amounts of women's wealth are distributed as replacement or reclaiming actions related with transactions that occurred during the deceased's life or even before, but that *tied* his spirit in a web of social relations. At death the spirit

must be released in order to become pure spirit and in that form create a new being by entering a woman's womb at conception. Reclaiming and replacement transactions taking place during mortuary distributions seek to release the deceased's spirit from his social obligations, while recasting those relations in terms of the living (Weiner 1976, 1978, 1980).

Thus, Weiner was able to link exchanges occurring throughout the life cycle and to elicit the *replacement* and *reclaiming* processes that integrate individual transactions into a cyclical system where 'human lifecycles' and the 'life trajectories of objects of exchange' are entangled in the process of reproducing social relations between individuals and groups, material and symbolic relations: 'In this way, the internal parameters of exchange illustrate the highly productive societal effort directed toward the production and regeneration of, not merely material resources, but human beings, social relations, and cosmological phenomena' (1978:177). In fact, Weiner's position echoes Mauss's description of total prestations where 'Everything passes to and fro as if there were a constant exchange of a spiritual matter, including things and men, between clans and individuals, distributed between social ranks, the sexes, and the generations' (1990 [1923-4]:14).

Although her critique is based on Trobriand data her central point is close to Polanyi's caution not to confuse particular transactions with a society's global economic integration pattern. However Weiner emphasises social reproduction including 'elements and relationships of human, social, material, and cosmological character [which] contain such value that a society attempts to sustain their reproduction generation after generation' (1978:175). By trying to explain transactions as a thread that creates and holds the social fabric in the *long term*, Weiner sets the problem of particular transfers and return equivalences in a framework that cannot be reduced to a one-to-one relation. Her position has wide-ranging theoretical consequences and it is interesting to keep it in mind, particularly when analysing market system societies (for a similar approach see Bloch and Parry 1989; Parry 1989). Indeed, the market form of transaction *appears* as a one-to-one relation, with equivalences regulated by supply and demand, while it *obscures* other material, political and symbolic transfers, which are in fact integrated in a long-range, complex social process (cf. Marx's 'commodity fetishism' in *Capital* vol. I, Chs 1, 4)

EXCHANGE

Marketplace and market system; information; central place theories

Since Polanyi, economic anthropology has tended to distinguish marketplace and market system. According to the criteria that different institutions integrate economic processes in different societies, the concept of market system is appropriate only where the market is the institution integrating the economy as a whole: production, distribution and consumption. On the other hand, societies where the economy is embedded in other institutions such as kinship or centralised political structures may have product exchange going on as well.

Bohannon and Dalton in their introduction to the work *Markets in Africa* define the difference between marketplace and market principle:

it is necessary to point out clearly the distinction between the institution of the market place and the transactional mode of market exchange. The market place is a specific site where a group of buyers and a group of sellers meet. The market mechanism, network, or market principle, on the other hand, entails the determination of prices of labour, resources, and outputs by the forces of supply and demand regardless of the site of transactions. (1971 [1962]:144)

A continuum of empirical situations may be found in which the market principle is more or less dominant or peripheral, is more or less integrative of the economy as a whole. (A further distinction is made between societies having and those lacking marketplaces.) Thus the concept of 'peripheral market' encloses both the idea of a local marketplace and of a peripheral market principle (1971:150–51) while the term 'market economy' describes societies where the market principle is dominant and where:

(a) sale at a money price is determined by impersonal supply and demand forces; (b) the buyers and sellers depend on such market exchange for livelihood; (c) the market prices for resources and finished goods crucially influence production decisions and therefore the allocation of resources, including labour, into different lines of production. (1971:152)

This last point is the crucial distinction: 'the peripheral market place is not integrated with production decisions' (1971:151).

On the other hand it is important to note that supply and demand forces *are* operative as well in peripheral markets, and although other elements such as kinship and a variety of social processes going on in the society might affect price formation, many case studies of peripheral marketplaces (Tardits and Tardits 1968; Ottenberg and Ottenberg 1968) show how supply and demand influence prices of food staples. In South Dahomey, for example, corn prices increase in June–July just before the harvest, when supply is scarce, and decrease in August just after the harvest when supply is plentiful. Prices of cooked food, an important commercial item, also follow supply and demand variations of prices linked with the agricultural cycle of the basic ingredient or with the accidental increase in demand related to ceremonial or other local social events (Tardits and Tardits 1968: 98–102). An interesting system of price control is described by the Tardits for South Dahomey marketplaces. Rather than increase market prices in relation to supply and demand, this system reduces the volume of goods offered for the same price: prices thus remain apparently stable. The example given is that of *akasa* (a corn paste consumed at every meal).

Akasa is commonly sold in small portions packed in banana leaves, the weight of which varies with corn prices and seasons. From June on, the prices of corn suddenly climb up during two months; from then on, *akasa* merchants are obliged to reduce stringently the volume of the parcel sold at an unchanged price.

In South Dahomey, 'the agency responsible for the price control operation is a men's secret association called *zangbeto*'. On request of the *akasa* sellers (women) the *zangbeto* association will publicly sanction the fact that:

the parcels of *akasa* be modified on account of the price rise. Later on, after the harvest, corn prices fall but most of the dealers still use the corn bought before the harvest and go on selling *akasa* as usual until *zangbeto* gives signal to decrease prices.

Offenders against the *zangbeto* regulations are publicly cursed and heavily fined (Tardits and Tardits 1968:101).

In fact the ethnographic record shows that all societies have some exchange relationships with other groups. This is generally motivated by a degree of local specialisation determined by especially useful or valued resources – such as salt, flint or obsidian in prehistoric times – not widely available, or by the development of certain skills such as

pottery making in specific regions. Through exchange, local communities occupying different ecosystems and having access to different resources are integrated into a wider interacting system. The forms of exchanges, however, might vary widely from one society to another. There are two basic forms of organising exchange.

The first form is through a chain of individual *trade partners* who move the needed goods along a relay route that might cross enemy as well as friendly country. This is the case of the Papua New Guinea (PNG) Baruya described by Godelier, who trade salt for bark cloth capes, flint stone and weapons. It is interesting to underline as Godelier (1977:187) does that:

Because of this variety of essential functions (subsistence, ideology) *exchange is not a marginal activity*, an occasional appendix of the functioning of Baruya society, *but a strategic element of its structure*. To extremes, one may say that this society cannot subsist without exchanges.

Therefore, although not integrating the society as a whole, in Polanyi's terms, exchange is an integral part of this society's economy.

The second basic form of exchange is through the creation and protection of a privileged meeting place: the *marketplace*. Less formalised places of exchange exist, such as the Trobriand beach where barter occurs alongside gift-giving; or the border space limiting two communities of hostile strangers where *silent trade* has been reported to take place. Silent trade has been described as trade where the exchanging parties avoid speaking and/or directly encountering each other. The goods bartered are placed in succession near each other until equivalence is agreed upon and expressed by the fact that one of the parties carries away the other's trade goods. This type of exchange implies a difficult tension between distrust – which induces avoidance – and trust – which drives the parties to abandon their goods in the opponent's hands. Silent trade, however, although widely reported in classic texts, has not actually been witnessed by anthropologists in the field (Hamilton Grierson 1980 [1903]; Price 1980; Kurimoto 1980; Meijer and van Nijf 1992). Its theoretical interest as the proposed 'origin' of trade lies presumably in the extreme form in which *trust*, *fear* and the *bargaining* for equivalence appear. These three elements might be said to be present at the core of most exchange processes.

Economic exchange occurs within a field of *information*. Information about the goods that are available for exchange (quality and quantity), information about the people seeking and those offering the goods (their professional and social background as well as their control over the goods), information about similar ongoing and past exchanges. The greater the overall information available the easier it will be to reach a decision on the part of those involved in an exchange transaction. Generally, however, information is not readily and homogeneously available within an exchange system. On the one hand, information must be sought *at a cost* (it is always time-consuming and may have to be bought through securing access to specialised information cliques) and it must be publicised *at a cost* (social and/or market costs). On the other hand some groups of people control information that others don't get, and the exclusiveness of valuable information is one of the main strategic factors affecting speculative exchanges. At any rate, information sets the ground for *trust*, and *trust* is essential for the realisation of exchange.

Trust might be forthcoming as a result of the credibility of an institutionalised exchange environment. This is the case of market economies where the classic model of perfect competition, supply and demand trends towards equilibrium, generates a general ideology of stability, predictability and impersonal self-regulation movements. Within this setting information is supposed to be open and complete. The risk involved in transactions tends to a minimum, and therefore anyone may engage in exchange with anyone without much risk. This atomised, short-term, limited mode of exchange might be termed 'impersonal' and defined by 'closed-ended transactions' as opposed to an 'open-ended, personal mode of exchange' (Plattner 1989:211).

When the exchange environment is not highly institutionalised, or when information is monopolised by certain groups, trust must be constructed on personalised relationships that enable exchanges at presumably lower risk:

knowledge of the other's personality, family, history, church, and so on is *relevant to the trust* one has that the exchange will be satisfactorily completed. The riskier the economic environment, the more traders need additional information about a partner over and above the specific facts of the proposed deal. (Plattner 1989:211)

Recurrent transactions, then, take place in the context of trading partnerships built on social relationships that are not solely economic.

It is interesting to note that in market economies as well, personalised exchange relationships often overlay the impersonal mode of exchange ideology.

Together with information, other costs (physical, social, monetary) should be taken into account when analysing exchange. 'Central place theory' is an attempt to make a deductive model of the location of exchange places, based on a series of cost-incurring factors and individual decision-making strategies seeking to minimise cost in the process of exchange. *Central place theory* was originally developed by the German geographer Christaller in the 1930s and was specifically proposed as a deductive model of spatial distribution of settlements according to their function as providers of goods and services. Christaller's model, further developed by Lösch (1954), Berry et al. (1988 [1967]) and Haggett (1965) has been relevant to economic anthropology through the studies of marketplaces done by Skinner (1985), C. Smith (1985) and Plattner (1985) among others. The basic elements of Christaller's central place model 'are developed ... under conditions of a uniform distribution of population and purchasing power, uniform terrain and resource localisation, and equal transport facility in all directions' (Garner 1971:307). Under these assumptions the model takes a regular lattice form where hexagons linking settlements of a same hierarchical order are nested within each other minimising population movement and maximising marketing benefits. The model presents a hierarchy of market settlements where

higher order places supply all goods of lower order places plus a number of higher order goods and services that differentiates them from, and at the same time sets them above, central places of lower order, and higher order places offer a greater range of goods and services, have more establishments, larger populations, trade areas and trade area populations and do greater volume of business than lower order settlements. The 'vertical' organisation has 'horizontal' expression in the following ways: higher order central places are more widely spaced than lower order places, and lower order central places, to be provided with higher order goods and services, are contained or 'nest' within the trade areas of higher order places according to a definite rule. (Garner 1971:307-8; see also Christaller 1966:17-22, 52-3)

Christaller took into account some possible deviations from his basic model, for example where transport costs would distort trade areas (Christaller 1966:72-80). Other assumptions, however, are essential to central place theory: the homogeneity of demand and the

pervasiveness of marginal utility motivations of actors, that is, the willingness to incur an extra cost or effort in order to obtain an extra 'unit' of a good or service (Christaller 1966:52-3).

Central place theory has been enlarged to account for itinerant markets. Stine (in Garner 1971:320-1) develops a model where the willingness of consumers to purchase a particular commodity and the minimum demand necessary for a firm to be economically viable are spatially expressed as concentric circles or ranges. Under 'normal' conditions the viability threshold of a firm is within the larger range of potential demand and the commercial establishment will be fixed in a permanent location. In areas where transportation is difficult, time-consuming and costly, the relation might be reversed. 'When this situation pertains, there are two alternatives: (1) the firm cannot survive at a fixed location and so disappears from the landscape, or (2) the firm must become mobile and move from place to place' (Garner 1971:320-1) thus increasing the consumer demand range. This model, which adopts Christaller's purely economic assumptions, is supported by Skinner's (1985) work on historical ambulant periodic markets in Szechwan, China, suggesting that central place theory might be a useful base for the analysis of marketplace functions and spatial distribution.

However anthropologists such as C. Smith (1985) analysing marketplace patterns in Guatemala are critical of the homogenising assumptions of Christaller's theory. Smith points out several important modifiers of central place theory for the Guatemala example. In the first place she addresses the significance of differentiating the function - retail or wholesale - of the marketplace. Second, the effect of the distinct economic position of particular ethnic groups - Ladino and Indians - in production, distribution and consumption is taken into account. Third, C. Smith stresses the fact that relations of production have to be considered together with relations of exchange. And fourth, the historical development of local and regional economic relationships (for Guatemala a plantation system and semi-proletarianised peasants) within the context of a worldwide expanding capitalist logic is assessed (C. Smith 1983, 1985). Thus, from an anthropological perspective, central place theory as such lacks the instruments necessary to account for the embedded nature of the economic processes in many societies where provision of goods and services, and demand for them, are strongly dependent on kinship, political, ethnic, religious and other social forces. Moreover, central place theory ignores the concrete

historical forces that shape specific distribution patterns. Differentiation in the access to consumption goods and services (and to the factors of production), in turn, will push people into various forms of dependency and exploitation relations in order to sustain a livelihood.

The functions of money: special use vs. all-purpose money

Exchange can be carried out by means of *barter, money or credit*. Classical economists (A. Smith 1982 [1776]: 117–20) placed barter as the original form of exchange and indeed the motor of the division of labour. But once specialisation pervades a society, barter in practice obstructs the realisation of exchange:

In order to avoid the inconvenience of such situations [of barter: that is, the reciprocal need of the commodities which the agents of exchange want to dispose of], every prudent man in every period of society after the first establishment of the division of labour must naturally have endeavoured to manage his affairs in such a manner as to have at all times by him, besides the peculiar produce of his own industry, a certain quantity of some one commodity or other, such as he imagined few people would be likely to refuse in exchange for the produce of their industry. (1982:126–7)

... [Thus] Money has become in all civilized nations the universal instrument of commerce, by the intervention of which goods of all kinds are bought and sold, or exchanged for one another. (1982:131)

A. Smith's thesis on the origins of money stems directly from Aristotle's views in the *Politics* (Book I, 9) and the *Nicomachean Ethics* (Book V, 5) and refers to two basic problems of transactions: first, comparability between the items being exchanged and, second, non-simultaneity of the agents' needs. Money, then, mediates in two ways the processes of exchange: as a *measure of value* and as a *medium of exchange*. The distinction is very clear in Aristotle, where the function of measure of value seems to take precedence over that of medium of exchange:

This is why all things that are exchanged must be somehow comparable. It is for this end that money has been introduced, and it becomes in a sense an intermediate; for it measures all things. ... All goods must therefore be measured by some one thing, as we said before. Now this unit is in truth demand, which holds all things together (for if men did not need one another's goods at all, or did not need them equally, there would be either

no exchange or not the same exchange); but money has become by convention a sort of representative of demand ...

And further he adds:

And for the future exchange – that if we do not need a thing now we shall have it if we ever do need it – money is as it were our surety; for it must be possible for us to get what we want by bringing the money. (1971:380–1)

In a less clear reference in the *Politics* (Book I, 9, 1971:451) money appears to be primarily linked to long-distance trade as a medium of exchange and *need* is the concept mentioned as measure of value. As a medium of exchange: the *portability* attribute of money is mentioned.

In the fourteenth century, nominalist philosophers such as Nicolas Oresmes introduced interesting analyses of the material medium used as currency, and the political causes and consequences of its mutations: 'The mutation of monies ... can be effected in different ways: in the form or precisely in the type, in the proportion, in the price or denomination, in the quantity or weight and in the substance of the matter' (*Traité des Monnaies*, 1989:57). It is a critique of the Prince's (or state's) misuse of power regarding the medium of exchange and standard of value and of the gains that can be obtained by the state through the undue appropriation of the processes that fix and change money's value, as opposed to the claim that as a *social* convention 'Money belongs to the community and to every one person that composes it' (1989:55). The attribute of money that appears essential in his discussion is its *stability* through time.

A. Smith's discussion of money centres on its function as a medium of exchange and focuses on the most useful attributes of any common instrument of commerce: *durability, divisibility, recognisability* or 'trustability'. These explain the emergence of different metals as monies and further the emergence of coinage, that is to say the public recognition of specific measures of quantity and quality of the mediating commodity: money. Money, then, has generally been recognised in Western thought as defined by two main functions: that of measure of value and that of medium of exchange. When emphasis is given to the 'medium of exchange' function, the distinction is blurred and the 'measure of value' function is taken for granted as being a necessary quality of the instrument of exchange under consideration (be it oxen or metal). This automatic conflation of both functions of money has been, however, interestingly disproved by Grierson (1978), following

Polanyi, who shows that in many historical cases such as Homeric Greece or Pharaonic Egypt the standard of value did not function as a means of payment and thus could not be a medium of exchange. 'Pharaonic Egypt had no coinage, and used metal by weight as its standard of value. Actual payments, however, were made in goods' (Grierson 1978: 10). And more generally:

Such divergences between the money in which prices are reckoned and the commodities in which debts are discharged represent, it may be noted in passing, a fairly common phenomenon in history. They are found even in societies which use coined money, occurring either because coin is in short supply – this was frequently the case in early medieval Europe – or unusually unstable in value, or because the sums involved are inconveniently large and the merchant or contractor prefers the payment to be made wholly or partly in goods which he hopes to resell at a profit. The ratios will vary according to the state of the market ... In such cases we should, I think agree that the goods in question are best not called money, but money substitutes. But where the ratio of such money-substitute commodities to whatever serves as the basis for valuation is fixed by law or custom ... they must be regarded as having crossed the boundary between money-substitutes and money, and become the latter. Money as a standard in fact lies behind money as a medium of exchange ... (1978:10–11)

He then goes on to search the possible origins of a standard of value and finds it in compensation payments or 'blood money' and more generally in compensations involving transfers of human beings such as women (bridewealth) or slaves in the Germanic context (1978:12–19). It would thus be 'a system of legal compensation for personal injuries, at once inviting mutual comparison and affecting every member of the community' that would lie behind 'the notion of money as a general measure of value' (1978:19; see also Polanyi 1957). Although this interpretation seems somewhat questionable it is interesting in that it presents the origin of money as a measure of value as stemming from the need of realising *payments* concerning human beings. The function of *payment* in the definition of money should be distinguished from that of medium of exchange. It is generally related to pressures exerted by a political (or religious) centralised institution with the aim of transferring wealth upward, through tribute or taxation, from smaller social units such as the individual, household or community.

However, what is more relevant to our discussion is Grierson's material distinction of money as first, a measure of value and, second,

as a means of payment and a medium of exchange. This brings us back to Aristotle's original measure of value: *need*. It is the agent's needs that make things comparable and enable exchange. And need in turn remains tied to the personal and social contexts of the agents of every specific transaction. *Barter* is the form of exchange associated with the direct satisfaction of reciprocal needs. Barter occupies a paradoxical situation in the historical accounts of market economies. On the one hand it is perceived as the origin of the market principle. Something akin to a 'natural' instinct in A. Smith, but also in Polanyi 'a principle of economic behaviour ... a propensity to barter' which enhanced by a market pattern can give rise to a 'market society' (Polanyi 1971 [1944]:56–7). On the other hand, as a form of exchange barter is seen as 'primitive', as hindering the full development of a price-creating market. As a non-monetary form of exchange barter has been deemed inconvenient because it is assumed to require the simultaneous, bilateral balance of the value of traded goods.

In fact the difficulties of barter might be the result of implicitly applying money functions to the process of negotiating equivalences. Most important here is the frequent absence of a socially defined, overarching, measure of value which could be applied generally to all transactions. Objects therefore are not detached from their social context and from the agents of the transaction, they are not comparable goods *per se*. In barter, comparability, the reaching of equivalences, and thus exchange, are a function of specific social agents in specific contexts for a specific transaction of specific goods. Values, for example, can be 'measured' with very different 'standards' by each of the parties to the transaction, and this will not prevent the negotiating of an equivalence. Moreover barter is frequently associated with *credit* where the realisation of the full transaction is postponed, although equivalences are reached initially. Although barter appears as a self-contained, bilateral, autonomous transaction, ethnographic accounts seem to show the embeddedness of barter in trading partnerships (Casaverde 1981; Humphrey and Hugh-Jones 1992) and the importance of *trust* in the construction of long-term barter relationships. Access to information about the goods and qualities available at different possible trading *loci* is an element of barter as of any other exchange and will depend on a social field of personalised information networks.

Equivalences reached in barter tend either, to fixed ratios of specific goods, with very slight variation (perhaps linked to differences in

quality) and persistence in time; or, to market-type, supply and demand ratios with high fluctuation. The first case is described by Casaverde (1981) for Peru, where highland pastoral communities producing meat, hides and wool trade with agricultural valley communities producing corn, wheat, barley and beans. The form of exchange is barter between long-standing partners. Bartered goods are referred to a common measure of value, the 'peso' (an ancient monetary value) which is only used in truck instances, and equivalences remain basically stable, although minor fluctuations occur in order to adjust for quality. This occurs in a context where the alternative of market exchange exists for all the products bartered. However, barter of these basic subsistence products through long-term trusted partnerships, enables both parties to obtain needed goods with low-risk, high equivalence stability and high provision of continuity. The benefit here is subsistence security.

The second case could be termed 'money-barter' (Einzig 1966:319; Curtin 1992:58-9, 228) and is widely described in long-distance trade between different communities. In the North American fur trade (Curtin 1992:228), for example, the modes of exchange between Indians and Europeans at the Hudson Bay Company (during the eighteenth and nineteenth centuries) are well documented. The unit of account was the 'made beaver' (MB), an abstract reference to the value of a good beaver pelt. In each trading post a different list of the 'standards of trade' evaluated import goods in terms of the 'made beaver' unit. On the other hand each post had a 'comparative standard' list evaluating each kind of animal pelt in terms of the 'made beaver' unit. Thus the 'made beaver' appears superficially as a fixed medium of exchange and standard of value and the exchange process recalls Polanyi's concept of *administered trade* at fixed prices. The real exchange process, however, presents a different picture. Curtin (1992:228) describes it as follows:

Neither standard represented actual exchange values of particular transactions. They were designed to serve as a guide to the factor and his superiors. The factor negotiated with Indian sellers as best he could. His objective was to obtain a total quantity of furs, by *gift and exchange* combined that would produce a difference between the MB value of goods sold and that of furs bought. That difference was called the 'overplus', and the size of the 'overplus' measured the success of the trading season. But it was an index, not a measure of the actual profit. The true profit depended on the European cost of trade

goods, the sale value of furs, and the company's expenses. The actual bargaining at the trading post followed native American practice ...

The process opened with an exchange of *gifts* (including some pelts), followed by the 'bargaining over the equivalents of skins to trade goods' where 'the supply of furs had a low price elasticity' in market terms. This means that good prices for skins would not induce an increased supply, so that quality, instead of quantity fluctuations, seems to have been the determinant element in the setting of equivalences for prices. The negotiations ended with another round of gifts (Curtin 1992:228). This system is similar to that of 'assortment bargaining' described for the West African Coast where prices for export goods in local units of account were stable for decades during the eighteenth century, but the assortment of European goods taken in payment of the account unit varied widely with supply and demand in European and African markets (Curtin 1992:58-9). We may recall the Tardits's (1968) description of local Dahomey market ways.

'Money-barter' processes point to a complex form of exchange where different principles are at work (reciprocity, redistribution, market), where goods are comparable only in a specific social context and where values are often measured according to different social, cultural and economic criteria by the parties effecting the transaction.

Moreover, Bloch and Parry (1989) have warned anthropologists against an overly economic tendency to treat money as a mere function of short term, material transactions. This, they believe, is a result of projecting our own (Western) cultural premises onto other societies. Rather, their concern is with 'the way in which money is symbolically represented in a range of different societies and, more especially, with the moral evaluation of monetary and commercial exchanges as against exchanges of other kinds' (1989:1). This preoccupation with the symbolism of monetary exchanges stems from a critique of the frequent polarisation between gifts and commodities (Gregory 1982) and to the mutually exclusive opposition of these distinct transactional modes' range of meanings. Their position, instead, points to the fact that monetised transactions cannot be abstracted from the social and cultural context of any given society as if they had a 'universal', functional, meaning. Rather, the meaning of different transactional modes is to be understood within the larger framework of social reproduction.

Through a comparative analysis, Bloch and Parry reach the conclusion that in most societies two distinct transactional orders can be found: one concerned 'with the reproduction of the long-term social or cosmic order', the other with 'short-term transactions concerned with the arena of individual competition' (1989:24). In an argument that echoes Weiner's emphasis on 'reproduction', they stress that procedures for transferring goods between the different transactional orders exist everywhere and that they are loaded with moral implications (1989:25-7). Money-mediated transactions, then, should be considered in the wider context of the social, cultural and economic processes where different modes of circulation are embedded.

As a result, this perspective drives us into confronting the problem of value, both as it has been developed in Western economic tradition, and more generally as a concept measuring some desirable attribute attached to meaningful goods or actions.

Use value and exchange value; 'commodity fetishism' and the labour theory of value

The question of what constitutes the value of things is one of the crucial problems arising with exchange. The goods being transacted must be comparable and their ratio of equivalence accepted by the parties in the exchange. The standard of value function of money is central to its definition, however, since Aristotle, money is perceived as a social convention substituting for the real measure of value. Aristotle saw *need* as being the measure of value. Following this path Marshall's concepts of *utility*, diminishing utility and marginal utility and their influence on demand are found at the core of his concept of value: *relative exchange value*. However, utility is not to be confused with *use value*, the former being a relation in exchange, the latter being independent of exchange (Marshall 1964 [1892]). A. Smith and after him Ricardo and Marx saw *labour* as determining 'the relative or exchangeable value of goods' (A. Smith 1982 [1776]:131). We might recall A. Smith's words:

The value of any commodity, therefore, to the person who possesses it, and who means not to use or consume it himself, but to exchange it for other commodities, is equal to the quantity of labour which it enables him to purchase or command. Labour, therefore, is the real measure of the exchange value

of all commodities. ... What is bought with money or with goods is purchased by labour as much as what we acquire by the toil of our own body. That money or those goods indeed save us this toil. They contain the value of a certain quantity of labour which we exchange for what is supposed at the time to contain the value of an equal quantity. Labour was the first price, the original purchase-money that was paid for all things. It was not by gold or by silver, but by labour, that all the wealth of the world was originally purchased; and its value, to those who possess it and who want to exchange it for some new productions, is precisely equal to the quantity of labour which it can enable them to purchase or command. (A. Smith 1982:133)

Why is labour chosen as the measure of value? Because, of all commodities, labour alone:

at all times and places, may be said to be of equal value to the labourer. In his ordinary state of health, strength, and spirits; in the ordinary degree of his skill and dexterity, he must always lay down the same portion of his ease, his liberty and his happiness. The price which he pays must always be the same, whatever may be the quantity of goods which he receives in return for it. ... Labour alone, therefore, never varying in its own value, is alone the ultimate and real standard by which the value of all commodities can at all times and places be estimated and compared. It is their real price; money is their nominal price only. ... Its [labour's] real price may be said to consist in the quantity of the necessities and conveniences of life which are given for it; its nominal price, in the quantity of money. (1982:136)

The price of commodities, according to A. Smith, is constituted of three different basic component parts: wages, profit and rent of land. This fact, however, does not invalidate the labour measure of value: 'Labour measures the value not only of that part of price which resolves itself into labour, but of that which resolves itself into rent, and of that which resolves itself into profit' (1982:153). A. Smith sets the basis for Marx's labour theory of value and we can understand the latter only as a critical development of the former.

For Marx 'that which determines the magnitude of the value of any article is the amount of labour socially necessary, or the labour time socially necessary, for its production' (1952:15). In Marx's theory, however, everything revolves around the distinction between use value and exchange value. Although this distinction appears in A. Smith when he first defines the concept of value he does not make it the pillar of his theory. In fact, one of the central differences between Marx's approach and that of the political economists before him, is the

definition of commodities as a product of labour conceived directly for exchange. Because of this social circumstance only, the use value embodied in all goods can be abstracted in exchange: 'As use-values, commodities are, above all, of different qualities, but as exchange values they are merely different quantities, and consequently do not contain an atom of use-value' (Marx 1952:14).

It is the condition of commodities as such that makes labour the only property 'common to them all'. Only 'by an exchange, we equate as values our different products [and], by that very act we also equate, as human labour, the different kinds of labour expended upon them' (1952:32). *Only by equating all labour in society it becomes abstract social labour and a measure of value.* This, in fact, is an important difference from Smith who sees labour as 'the original purchase money that was paid for all things' and, although he perceives that labour must have a homogeneous character in order to become a measure of value, he merely assumes an average or 'ordinary' degree of fitness, skill and toil which suffice to equalise the labourers' expenditure.

From Smith's point of view, then, there would always – universally – be some sort of average labour expenditure that would constitute in a given society the measure of value of goods exchanged. Marx explains that concrete labour which creates specific use value in all things may only become a measure of exchange value when it is abstracted from its concrete use value aspect. This happens when most of the labour expended in a society is related through exchange, entering thus a social labour pool. The big difference, then, is that Smith renders universal and natural what for Marx is a social relation pertaining to a 'definite, historically determined mode of production, viz., the production of commodities' (1952:33).

It is only by being exchanged that the products of labour acquire, as values, one uniform social status, distinct from their varied forms of existence as objects of utility. This division of a product into a useful thing and a value becomes practically important only when exchange has acquired such an extension that useful articles are produced for the purpose of being exchanged, and their character as values has therefore to be taken into account, beforehand, during production. From this moment the labour of the individual producer acquires socially a twofold character. On the one hand, it must, as a definite useful kind of labour, satisfy a definite social want, and thus hold its place as part and parcel of the collective labour of all, as a branch of a social division of labour that has sprung up spontaneously. On the other hand, it can satisfy the manifold wants of the individual producer himself, only in so far as the

mutual exchangeability of all kinds of useful private labour is an established social fact and, therefore, the private useful labour of each producer ranks on an equality with that of all others. The equalization of the most different kinds of labour can be the result only of an abstraction from their inequalities, or of reducing them to their common denominator, viz., expenditure of human labour power or human labour in the abstract. (1952:32)

Marx's argument rests on the analysis of the dual character of commodities, that of being use values *and* exchange values, and in the confrontation within commodities of concrete and abstract labour. Marx develops this confrontation in the seminal chapter on 'The Fetishism of Commodities'. In it he shows that the commodity form of a product of human labour presents the social relations existing between all producers in a society dominated by exchange as relations between the products, relations between things. As a result, things come to life while human relations of production are objectified and obscured: 'there is a definite social relation between men that assumes, in their eyes, the fantastic form of a relation between things' (1952:31).

In a stimulating discussion of commodity fetishism in South America, Michael Taussig (1980) tries to unravel the historical context of contemporary rituals centring on evil figures in the Andean Highlands and the Cauca Valley in Colombia. He describes contemporary rituals such as pacts with the devil in order to increase productivity in the Cauca plantations; offerings to the spirit owners of the mountain, partially demonised, in order to preserve life in the mines (Nash 1979). Taussig explains these rituals as the expression of a basic contradiction between the use value orientation of the peasant economy and the exchange value orientation of the capitalist plantation or mining economies and, increasingly, commercialisation of peasant agriculture as well. This basic contradiction permeates life in these communities. On the one hand, peasant reciprocal exchanges driven by need and the code of mutual assistance are present. This is opposed, on the other hand, to exchange and alienation practices in the mining sector and in commercial agriculture where equivalences are quantified in the abstract and transactions dissolve all attachment of goods to their previous owner. The contradiction is also expressed in the association of female figures with a reproducing 'system of reciprocity and self-renewal' and of male figures with a non-reproducing 'system of unequal exchange and self-extinction' (Taussig 1980:117–20, 209–11).

The process of demonisation of previously existing propitiatory and protection rites expresses the clash between 'pre-capitalist fetishism' – that is, where things are alive because they embody interpersonal relationships and hence produce and reproduce the social fabric – and 'commodity fetishism' – where things appear to have a life of their own, independent of the relations between people and with nature, dissociated from producers, former users and contexts. It expresses, moreover, that the capitalist logic of accumulation does not yet pervade the local culture but, on the contrary, that encroachment of capitalist relations of production is perceived as evil and destructive. The devil contract mediates between the contradictory fetishisms present in daily experience:

The fate of the peasant who is caught in the commercialization of agriculture, particularly where this involves large agribusiness production, is to bear witness to the clash between these two forms of fetishism. The belief in the proletarian devil contract, as well as other instances of fetishism is the outcome of this clash. The devil is more than a symbol of the new economy: he mediates the opposed meanings and sentiments that the development of this economy engenders. For if the peasant or use-value outlook were superseded by market culture, there would be no basis for fabulations like the devil contract. The emergence of this trope is occasioned by the meaning that a use-value culture ascribes to the tropes generated by the market organization of society, production and exchange. The devil contract registers the human meaning of this type of organization and stamps it as evil and destructive, and not the result of morally neutral forces that are naturally inherent in socially disembodied things. (1980:124–5)

One last crucial aspect of Marx's labour theory of value is his distinction between *labour* and *labour power*, where labour is the creative and useful expenditure of labour power which is the mere potentiality to do so. *Labour power* is a commodity exchanged in the market where the free labourer sells to the owner of the means of production his *power* to labour. 'The value of labour power is determined, as in the case of every other commodity, by the labour time necessary for the production, and consequently also the reproduction, of this special article' (1952:81). This includes 'the means of subsistence necessary for the maintenance of the labourer', 'the means necessary for the labourer's substitutes' and the 'equivalent in commodities' necessary to acquire the required skill (1952:81). But labour power is a peculiar commodity in that a labouring individual's

natural wants, such as food, clothing, fuel and housing, vary according to the climatic and other physical conditions of his country. On the other hand, the number and extent of his so-called necessary wants, as also the modes of satisfying them, are themselves the product of historical development, and depend therefore to a great extent on the degree of civilization of a country, more particularly on the conditions under which, and consequently on the habits and degree of comfort in which, the class of free labourers has been formed. (1952:81)

Labour, on the contrary, is not a commodity and therefore does not have exchange value. However it is labour that creates value and: 'It becomes value only in its congealed state, when embodied in the form of some object' (1952:21). This distinction between labour power and labour, the difference between the value paid for the former and the value created by the latter and embodied in the product of labour, is what enables the owner of capital to extract surplus value from the worker.

Marx's approach to value is important for economic anthropology first and foremost because of its *historical* dimension; second, because of the complexity, both *material and ideological*, of his analysis of commodity fetishism; third, because of his inclusion of a relative, 'cultural' as well as historical aspect in the determination of the value of labour power. Marx's labour theory of value refers to a society where production is geared to exchange, where exchange is necessary for obtaining most, if not all, the useful things of life. This condition poses interesting questions to anthropologists working with social groups that may be only partially integrated in global commodity exchange, where working people may be immersed simultaneously in various market and non-market exchange processes, where subsistence production or production for use might consume most labour expenditure, etc.

World-system and neo-Marxian theories of the articulation of different modes of production have tried to tackle this problem by suggesting, respectively, that capitalism develops unevenly and presents complex polymorphous forms, or that the capitalist mode of production is defined by a logic of capital accumulation and 'free', contractual, market labour-capital relations, but might be articulated to other, pre-capitalist modes of production in a complex social formation.

A provocative study of swidden agriculture farmers in the Pachitea Valley in northern Peru tries to deal with these theoretical questions

(Chevalier 1982). Most villagers in Puerto Inca farm land which does not enter market exchange circuits but is simply obtained by direct appropriation. Work on the plot is carried out mostly by family members except when the demographic cycle of the domestic group or specific moments in the agricultural cycle drive farmers to hire wage labour. A large percentage (up to 75 per cent in some cases) of the production is directly consumed by the farmers and their family while the rest is sold in order to buy personal and productive goods in the sphere of market exchange.

The aim of these small farmers is described as maximisation of consumption or 'maximisation in-the-concrete' vs. 'accumulation in-the-abstract'. The theoretical problem raised by the Pachitea Valley example rests on the 'use value' 'exchange value' distinction of commodities and labour, in a context where market exchange does not directly affect a large proportion of farmers' production and consumption and, therefore, such a distinction would not be pertinent. Chevalier contends that these farmers do not pertain to a 'subsistence', non-commoditised sphere of production. Instead he suggests that production for direct consumption, as well as direct appropriation of land and the expenditure of the farmer and his family's labour be treated as 'subsistence commodities' where the abstract 'exchange value' aspect of a commodity is not realised through exchange:

by 'commodity' is meant not those material values that are actually purchased or sold but, more generally, all those that are *exchangeable* for money and that contain a definite quantity of value. The peculiarity of 'subsistence commodities' is that they never enter the sphere of circulation not because they are not exchangeable, but rather because their 'abstract' value can best be realised through direct consumption by the producers themselves. In short, production for household consumption may have nothing to do with the preservation of a 'natural economy'. (Chevalier 1982:118-19)

It is the capitalist context of the economy that sets in train a generalised commodification process in the Pachitea Valley. And relations of production and distribution, however different from wage labour and market exchange relations, must then be understood as a form of capitalist social relations.

Up to this point I have presented the concept of value as it has developed in Western intellectual tradition. In this tradition, the meaning of value stems from a distinction between, on the one hand, 'use value' – the adequacy of a good or a service's function to need –

which is independent of exchange; and, on the other hand, 'exchange value' – a concept tied to the general commodification of the economy. I have shown the development of the labour theory of value and how Marx limited its validity to a fully commodified economy. Moreover, I have pointed out Marx's crucial distinction between labour and labour power and how he acknowledged the specific historical, social and cultural grounds of labour power's value.

In the following sections I will present other forms of value that can be studied by paying attention to the *circulation* of goods among different individuals, different social groups, different polities. This view will help us approach the issues around distribution and exchange from a perspective that necessarily integrates the variation of meaning (attached to goods or processes), the conveyance of power and the forms of expropriation of value(s) along transaction routes. Once again, this will lead us toward social reproduction as a more helpful framework for economic anthropology.

CIRCULATION

Different spheres of circulation; social and economic value of transactions

The concept of *circulation* enables anthropologists to follow goods along *chains of transactions*, sometimes covering wide areas, lasting for years or holding multiple values – social, cultural and economic – in different moments or to the different people involved in the long-term processes (Thomas 1991). Rather than positing the circulation of goods as integrated in a unique sphere of exchange determining value, which is assumed to be the case in a market economy, anthropologists tried to find a theoretical framework for the complex and multivocal processes of circulation they encountered.

Bohannan's *multicentred economy* concept is probably one of the first attempts to theorise the circulation of goods in non-market integrated societies. In his description of the traditional Tiv economy (Nigeria) he presents three different spheres of circulation, each of them marked by different 'moral values'.

In calling these different areas of exchange spheres, we imply that each includes commodities that are not regarded as equivalent to those commodities in the other spheres and are hence in ordinary situations not exchangeable.

Each sphere is a different universe of objects. A different set of moral values and different behaviours are to be found in each sphere. (Bohannan and Bohannan 1968:227-8)

First, there was the sphere where subsistence goods were transferred by barter exchange. Money did not mediate exchange but Bohannan speaks of a 'free market' morality for this sphere. The second sphere was one where 'prestige' goods were transferred in non-market transactions. The circulation of goods was associated with ritual or ceremonial occasions. Brass rods were used as a 'measure of value', a 'medium of exchange' and of payment within the limits of that sphere. The third sphere referred to 'rights in human beings other than slaves, especially dependent women and children. ... Its values are expressed in terms of kinship and marriage' (1968:231) where exchange marriage was the norm. According to Bohannan, the spheres were 'arranged in a hierarchy on the basis of moral values' (1968:233), not practical (that is, material) ones. With marriage exchange, prestige and subsistence ranked in decreasing order. The different spheres, however, were not total isolates. 'Conversions' or 'exchanges of items from one category to another' (1968:234) were a usual if not frequent occurrence and were apparently charged with strong moral qualification. Bohannan's model presents certain ambiguities worth pointing out. First, he speaks of commodities while trying to explain a non-market integrated economy (in Polanyi's terms). Second, in theory he sees 'conversion' as an exception while on the other hand he describes its ubiquity and its social and political importance. Bohannan's confusion in fact points to the central question anthropologists confront when studying the circulation of goods: how to distinguish and gauge the social and economic value of transactions; how to explain complex processes that may partake of multiple meanings for those involved in them (see also Bohannan 1959).

Ceremonial exchange in Melanesia is such a complex process. Malinowski's description of the *kula* exchange of valuables as clearly distinct from other transactions could be understood as an example of a multicentred economy. Indeed, the sphere of prestige – the *kula* – is linked with the circulation of a specific type of valuables (armshells and necklaces) and political power and authority, while the sphere of subsistence responds to barter exchange of basic goods – *gimwali*. However, it is impossible to comprehend the Trobriand system without taking into account, together with *kula* exchange, yam

exchange gardens and yam presentations. In particular a father or brother's exchange garden for his married daughter/sister. 'Through the annual presentation of yams made to him by his wife's kinsmen (Malinowski's *urigubu* 1977 [1935]:Ch. 6) a man moves into an adult role. He now controls his own supply of yams, the basic medium of exchange' (Weiner 1976: 197). But many other exchanges must be also taken into account: the construction of alliance networks and the circulation of marriage exchange valuables and yams, the exchanges of yams for valuables, women's accumulation of wealth – banana leaf bundles and pandanus skirts – and its exchange during mortuary ceremonies.

Although exchange is highly formalised in Trobriand it is difficult to apply the concept of *multicentred economy* to the distinct but articulated exchange circuits. First, raw yams appear as a universal medium of exchange: yams are produced for direct subsistence and for exchange purposes; yams are exchanged for *beku* stone axe blades and other valuables in marriage circuits; yams are presented to older men for support and magic. Exchange yam gardens are grown by a married woman's relatives for her; used by her husband in further exchange networks and reciprocated in women's wealth used to reclaim rights for the clan and thus regenerate clan identity. Yams are exchanged for valuables that enter the *kula*. We do not find here different spheres associated with particular goods – subsistence, prestige, people – as in Bohannan's description of the Tiv case. On the contrary, the same goods might enter different exchange circuits at different moments (cf. Weiner's description of the exchange history of a particular stone axe blade, 1976:182).

Second, accumulation and circulation of yams and of valuables, of men's wealth and women's wealth, but also distribution of food in feasts and formal presentations and inter-district exchanges of specialised goods, all of these activities participate in the social reproduction of Trobriand society. Neither yams nor any other good circulating in exchange circuits can be considered solely for their material or 'economic' aspect, as seemed to be the case for Bohannan's subsistence sphere. Rather they must be seen as part of a complex system where 'control over the circulation of goods, over workpower and over the final regeneration of persons through social and cosmic time' (Weiner 1976:221) constructs and transforms social relations through exchange.

Other examples of ceremonial exchange in Melanesia, the Melpa *moka* and the Enga *tee* (Feil 1984) also present a very strong social and political rationale *together with* an economic one. A. Strathern's (1971) analysis of the *moka* depicts a process where pigs, shells and other valuables are exchanged formally between individual partners and between groups. The *moka* is an unbalanced exchange of valuables that creates and transforms prestige and power relations. It encompasses both network relations of support centred around an individual, and collective expressions of opposition and alliance among groups. It serves local integration and regional articulation. It is a system with a high political component where big men find an arena to consolidate and expand their influence, where group hostilities are negotiated, and ceremonial exchange substitutes for warfare.

The system however has important social and economic aspects. Marriage exchange valuables, for example, are the usual entry into *moka* ceremonial exchange circuits, but also, wives are the producers of the main local valuable – pigs – and affines are crucial exchange partners (more so for ordinary than for big men) (A. Strathern 1971; M. Strathern 1972). On the other hand, purely material aspects have to be taken into account: cooked pork as well as pigs and other edible (marsupials, cassowaries, salt) and non-edible valuables circulate along ceremonial exchange roads. This circumstance, as Rappaport (1968) has pointed out enables the sufficient provision and wide-range distribution of locally produced utilitarian goods. Moreover, in the Papua New Guinea Highlands context, pork is the main source of high quality protein and therefore a basic subsistence good. In the case of *moka* exchange Strathern (1971:112, 218–19; 1980:52) presents the difficulty of treating subsistence, prestige and marriage as distinct spheres of exchange. Rather he suggests that the particular context and occasion of circulation defines both the value and the meaning of the goods being transferred. Strathern speaks of *moka* as a system of total prestations in Mauss's sense, although he stresses 'political competition between groups and between individual big-men' (1971:218). He points, however, at two significant complexities in the system:

The first is that *moka* can be made to anyone, a political ally or enemy or a comparative stranger, or also to a groupmate; and the second is that it may be made either in private or publicly and either in concert by a number of men or by a single man. I have so far argued for a single 'meaning' of *moka*

gifts, and have suggested that the meaning is political or at least is concerned with the acquisition of prestige. But the meaning is hardly likely to be exactly the same in all the possible contexts which I have mentioned. (1971:218)

For the case of the Enga *tee*, perhaps the widest ceremonial exchange system in Melanesia, Feil (1984:54–5) observes:

The major *tee* items, pigs and pearlshells, are also the essential valuables in every context of exchange including bridewealth. One cannot distinguish Tombemba spheres of exchange on the simple basis of which items are appropriate to each. For this reason and others, the *tee* is best viewed as an exchange forum encompassing all others. The various types of exchanges can be distinguished according to occasion and range of likely participants, but in the end, all exchanges are connected to the *tee* and particular contexts are only arbitrarily defined.

Networks; solidarity networks

But how does circulation work? How are the relations that open up the ways where transfers are made possible, constructed and maintained? The concept of 'network' in anthropology stems from Barnes's (1990 [1954]) article on social class in a Norwegian parish and from Elizabeth Bott's *Family and Social Network* (1975). The need to make sense and construct models of flexible, personal, non-group interaction gave rise to a number of definitions and theoretical constructs (Barnes 1972; Mitchell 1969; Boissevain 1968; Whitten Jr and Wolfe 1973). As Barnes (1972) has postulated, 'the attraction of the idea of a social network has been that it provides a way of *also* looking at those parts of social life where groups do not always form' (1972:4; 1990:72–3). Without entering into the technical terms and concepts that have been defined and discussed in reference to network studies (Mitchell 1969; Barnes 1969, 1972), 'the two fundamental properties of networks' are 'multiple interconnections and chain reactions' (Barnes 1972:3). Moreover it is interesting to note two ideas that accompany the network concept: strategies and transactional social relations. Thus

The study of networks is not tied closely to any particular view of social action but can be used with any theory that sees social behaviour as the outcome of a multiplicity of partly conflicting social pressures on units that have interests of their own and are able to choose among alternative courses of

action. ... networks seem to fit well with an exchange theory of social relations' ... (Barnes 1972:25)

Social exchange theory (Blau 1982 [1964]), however, is highly problematic because of its economistic nature. Social relations – perceived as mere social interaction – are treated as a market exchange of extrinsic 'social' utilities within a marginalist framework. Complex human social relations are commodified when methodological concepts such as 'benefits', 'risk', 'investment', 'opportunity costs' and 'marginal utility' are applied in a straightforward manner. The question of whether, in a society dominated by market exchange, relations between persons are mystified as an exchange of things, would be a matter for research. Taking it for granted and constructing it as a universal human action theory seems methodologically flawed. Networks, then, are a convenient matrix for studying individual action; they appear as a useful *technique* or analytical instrument for economic anthropology, especially when abstracted from social exchange theory.

The interest of the network concept is obvious in cases such as ceremonial exchange in Melanesia or the study of marketplace interaction but it is also extremely useful for understanding the circulation of goods, services and information in Western industrial societies. With increasing attention paid to the 'informal economy', forms of circulation established at the margins or in the interstices of free, voluntary, contractual market transactions are coming to the fore. In a pathbreaking study, Pahl (1984) presented self-provisioning and informal exchanges of work among neighbours and relatives in the Isle of Sheppey as a form of enhancing levels of consumption. One of his findings was that the unemployed had fewer opportunities to engage in informal exchanges of work – paid or unpaid – although their dependence on the resources that were made available through these non-market channels was greater. By contrast, households with employed members also engaged more frequently in other inter-household work exchanges. This seemingly paradoxical fact could be explained because informal work depended on 'advice and information provided by friends and relatives' (Pahl 1984:333), in other words, on the circulation of information through personal networks. Using the household as the reference unit it could be said that networks of households with employed members provided a higher number and a more diverse range of connections and thus multiplied work opportunities. Social networks have proven to be crucial in the

circulation of information concerning employment and more generally work – whether formal or informal – and in establishing specific work relations. Studying post-redundancy histories of steel workers in Port Talbot, near Swansea, Harris et al. have described differentiation in the population of a local labour market (conceived as a social institution):

... not only in terms of *whether* its members are *buyers or sellers* of labour power, but also in terms of the *type of labour power* which is bought and sold and the *characteristics of labourers* (sellers), and in terms of the *geographical location* of buyers and sellers. It is also differentiated in terms of the relation of market members to the *means of labour marketing*.

These means are of two kinds: formal and informal. The *formal* means are state-owned employment/labour exchanges (job centres), private employment agencies and public advertisement. The *informal* means are person-to-person contacts, or chains and networks thereof, which may be facilitated by institutions entirely unconnected with the buying and selling of labour power at the formal level. (1985:156)

By taking into account this complex field of forces, households are seen as differentially located within a local social structure which affects 'both the chances of their members obtaining any employment and of their obtaining particular types of employment' (1985:157). In a context where a contractor system has replaced in-firm departments, 'informal means of labour marketing', that is, social networks, are crucial. Moreover, the character of the social network, whether it is 'collective' or 'individualistic', will affect the redundant employees' chances of re-employment. The 'moral' character of *collective* social-activity patterns and network interconnectedness seems to increase the opportunity of obtaining fixed-term jobs, while '*individualistic* social-activity patterns' seem to confer 'a relatively unfavourable labour-market situation' (1985:161). In fact, post-redundancy labour histories appear to depend on the character of individual social networks and these, in turn, are at least partially a result of people's previous labour-market histories and those of other household members.

The study of social networks can help towards an understanding of how the information leading to the effective constitution of a labour market circulates. Access to and support from particularly well-connected individuals in a social network is a differentiating element of labour markets, but also of financial and product markets. Therefore, the means by which links with such individuals are reached, controlled and activated, but also the ways in which such links are created and

maintained, that is, how a person gets to know many people and 'keeps in touch', will give us a closer picture of the social processes at work. These processes have been studied for the business elite (Bourdieu 1988; Marceau 1989; McDonogh 1989; Griffen and Griffen 1977) and for the working class (Lamphere 1987; Cameron 1985; Phizacklea 1983). And feminist anthropologists have stressed the centrality of women in the active upkeep of networks (DiLeonardo 1987).

In a classic paper, Kapferer (1969) used network analysis to study the mobilisation of support in a dispute confronting two co-workers about ratebusting in a Zambian mine. Indeed, analysis of support-providing processes through personal links has illuminated interesting aspects of working people's strategies when confronted with general hardship or particular crises. Support might include the circulation of goods such as food, clothes, shelter; of services such as looking after children, old people and disabled people, cooking, shopping, home maintenance; of information about jobs or, more generally, livelihood opportunities and also of emotional support. Most of these aspects will be considered in greater detail in the chapters on consumption and social reproduction. Here, however, I want to stress the relevance of female links in effecting these multiplex 'support' relations and, moreover, the relevance of women's networks in the construction of a collective and solidary framework enabling the crystallisation of working-class consciousness and action.

Labour historians have pointed to the differences between male and female patterns of activism. While men's consciousness was rooted in workplace experience, skill defence and male after-work leisure activities (Thompson 1966; Hobsbawm 1984; Rule 1987; Sewell 1980; McClelland 1987), women's consciousness took shape in the shared experience of wage work but also around the day-to-day effort to make ends meet. Women's reproductive tasks in the working-class neighbourhoods of industrial towns created a support network that served to organise women workers' collective action but also to maintain strike discipline and sustain particular struggles. During the Lawrence strike of 1912, the close-knit, female-centred networks built around daily mutual assistance and exchange of information about wages and prices was essential to the construction of a working community that could act with cohesion and solidarity. Women's networks were important in that they helped bridge gender, age and ethnic cleavages within the working class (Cameron 1985). Through

female networks, women who had an individual history of discontinuous employment shared their experience of different problems confronted at different stages of their life cycle. Speaking about women collar laundresses in Troy, New York, in the second half of the nineteenth century, Turbin suggests 'that group awareness was continuous and not limited to sporadic periods. A combination of close family ties and shared experiences as workers and activists suggests that collar women were conscious of shared interests as workers' (1987:57). The perspective on female-centred networks 'contributes to recent arguments that class consciousness does not stem solely from work-related factors and the type of labour force participation experienced by men' (1987:66). Moreover, in trying to overcome the gendered dichotomy present in the conceptual frameworks of labour historians Turbin points out that

we should look not only at important minorities such as skilled women but also to men who were less skilled and did not organise. We should question not only the assumption that women's work was temporary but also the generalisation that men's work was permanent. (1987:66)

Network analysis therefore might help us explore forms of constructing a shared awareness of collective interests and of mobilising and sustaining action, which are interstitial to more bounded and structured institutions such as unions. Social networks, however, may also hamper organised protest in the workplace, especially when personal links have been the means to obtain employment in the context of a closely knit community, where the content of relationships is multiplex (Phizacklea 1983; Anthias 1983: 84-5).

Movements of capital and labour; the globalisation of economy

Migration can be seen as the circulation of people in their capacity to be the carriers of labour power (whether fully commodified or not). Moreover, mobility of people conceived as labourers addresses the issue of the distinct values in the costs of reproduction present across different social and political contexts, and of how these variable reproduction costs are materially and ideologically conveyed on to the costs of production. This crucial process sets the grounds for the social construction of labour force segmentation often justified on national, ethnic or racial character and, subsequently, for differential exploitation.

Network analysis has specially benefited studies of migration processes. Previous migrants' knowledge of the receiving area and their willingness to provide information and material support have proved to be a crucial variable in the organisation of migration patterns (Mazumdar 1987; Roberts 1978; Ballard 1987; G. Smith 1989:96–112). Migration, however, must be viewed within the wider framework of circulation of capital and labour in the context of the uneven development of a world capitalist economy. Questions such as the effects of migration on income (re)distribution on a national or international level are important. On this subject, for example, Mazumdar indicates that 'private gains through migration do not necessarily imply a more equal distribution of income either across regions or households' (1987:1117). In my view, however, the two processes tied to migration described below seem to hold more interest.

In the first place, I want to stress the construction of a segmented labour force, and as a corollary the creation of race and ethnic minorities as an ideological barrier to the formation of class. In this regard, I will show how the argument is tied to the area of 'production' that I presented in Chapter 1.

In the second place I shall present a brief account of the use of mobility as a means towards obtaining a livelihood in the context of multiple, interconnected, individual and household strategies. This preoccupation, in turn, will act as a prelude to a more thorough discussion of these matters that will follow in Chapter 3, on 'consumption'.

Both points are articulated in that the differential *reproduction costs of labour* is an essential element in the material and ideological construction of a segmented labour market.

Labour migration is only one aspect of the *spatial organisation of production* in capitalist social formations and must not be confused with movements of people (migration) – whether individuals or groups – in other sociohistorical contexts. Labour migration acquires its meaning within the general context of the objectification and commodification of the means (or factors) of production: land, capital and labour. Both labour and capital are mobile while land and primary resources located in it are the only fixed assets of production. Space, on the other hand, is a political arena where struggles for power and their crystallisation in law through history draw a specific field of forces within which movements of capital and labour have to be understood. *Control of mobility*, then, whether through the regulation of immigration or

exemption from taxes for certain industries in certain areas, is a crucial element in the organisation of production. It is one, moreover, where the interests of capitalists and those of the state, although not always coincident, are necessarily intertwined and partially expressed through institutional politics. Systems of *migrant labour* are perhaps the best examples of this.

Burawoy (1976) defines *migrant labour* as a system where maintenance and renewal of the labour force are differentiated and physically separated. This form of reproduction of the labour force 'is enforced through specific legal and political mechanisms which regulate geographical mobility and impose restrictions on the occupational mobility of migrants' (1976:1050). The case of South Africa's institutionalisation of a system of migrant labour is expressed in the historical construction and implementation of apartheid. From 1880 to 1926 the mines in South Africa, Southern Rhodesia (Zimbabwe) and Northern Rhodesia (Zambia) were opened. This created a constant rising demand for labour and therefore an upward pressure on wages. To prevent rising labour costs in a labour-intensive industry, employer associations and government colluded and granted a quasi-monopsony over labour supplies to centralised recruiting agencies such as the Witwatersrand Native Labour Association, formed in 1900 by the South Africa Chamber of Mines, the Rhodesian Native Labour Bureau, formed in 1903, and the Northern Rhodesia Native Labour Association, formed in 1929 (Stichter 1985:101–2). On the other hand, 'the fact that the recruiting agencies did not supply all the labour to the mines created a distinction between "recruited" and "voluntary" labour' (Stichter 1985:103). Through coercion and deception, by misleading workers, and frequently backed by the direct force of state agents (Stichter 1985:108; cf. also Fitzpatrick 1987:103 for Papua New Guinea), recruiting agencies managed to increase and control the larger supply of labour while maintaining or reducing wages. Agencies hampered competition for labour among employers as well as territorial competition between relatively high-wage and lower-wage areas. As Stichter remarks:

the final and very critical function of labor recruitment systems was to serve as an effective method of control over African workers. In particular they frustrated the mobility of workers in the labor market, the very mobility which was the chief strategy open to migrant workers for defending themselves. (1985:108, also 102–16)

Control of workers' mobility with the formal support of the state is, then, the basic factor in the construction of a migrant labour system.

Through colonial taxation, discriminatory policies favouring European farmers' produce in the market, land expropriation and forced or coerced wage labour, Africans were driven to depend on a capitalist economy. On the other hand, 'traditional' relations were actively 'preserved', by government policies within specially delimited areas with the aim of providing subsistence to those not directly engaged in wage work. Strict regulation of circulation between the areas of employment and the areas of 'traditional' organisation was legally enforced through restriction of residence in urban areas for the unemployed. The articulation and enforcement of a double dependence: on wage work and on 'traditional' subsistence work, located in spatially distinct areas, characterised the system of migrant labour (Burawoy 1976). It enabled the reduction of labour costs. Renewal costs of the labour force were externalised and wages appeared as a supplement to the 'traditional' economy, in fact barely covering maintenance. The system also had political benefits because it externalised unemployment, general social unrest and vindictive political action (Burawoy 1976).

The reproduction of this system of migrant labour, however, depended on the restriction on occupational mobility through the colour bar preventing blacks from occupying other than unskilled positions, and therefore rendering black labour highly homogeneous and exchangeable. This system, then, reduced labour costs and differentiated the labour force on the grounds of race through the pretence of preserving 'traditional' ways of livelihood. In fact, life in the Bantustans was highly dependent on remittances of wage workers, and more recently on the direct wage obtained by women working in industries located in the rural homelands or in border areas (Stichter 1985:161-2; Eades 1987:8). These women were paid extremely low wages because these appeared – wrongly – as doubly accessory: being a supplement to 'traditional' agriculture and a supplement to male workers' remittances. We must bear in mind, then, that the 'subsistence economy' in the Bantustans was not 'traditional' and income was not equally distributed either (Sharp 1987).

The South African migrant labour example is not such an extreme case. Post-Second World War European democracies (such as West Germany, Switzerland, France, Netherlands) organised a system of 'guest workers' which reproduced many of the same elements:

- (a) separation of maintenance and renewal of the labour force;
- (b) externalisation of renewal costs;
- (c) regulation of workers' movements through official recruiting agencies and strict limitation of residence permits;
- (d) restriction of job mobility; and
- (e) the denial of political and civil rights to immigrants (Castles et al. 1987).

Settlement of worker immigrants and family reunification have become a reality promoted by capitalists' need over the years to stabilise a skilled and trained workforce. Also, paradoxically, the ban on non-EEC immigration after 1973 in most countries encouraged settlement. Settled immigrants, however, still suffer from institutional discrimination that denies them most political rights. They are often on the fringes of legality and socially segregated through access to low-quality housing, education and health, mostly living thanks to cheap goods and services which their peers provide in the 'informal sector' economy. Their vulnerability situates them at the bottom of a segmented labour market. The discriminatory measures of Western democracies defining certain workers as different – illegal, alien – with added implicit or explicit reference to racial or ethnic criteria, result in the creation of a highly competitive segment of the labour force for unskilled or semi-skilled jobs. The further public demonisation by governments and the media of these 'competitive' alien groups in a context of high unemployment triggers increased 'racialised' explanations and 'solutions' to economic problems (Castles et al. 1987:38; Burawoy 1976:1083). The effect of these ideologies is to forge profound cleavages within the working class and to impede the formation of class consciousness and organisation. In this context, however, settlement and the socialising effect of women and children weaving networks of everyday relations is usually an important step towards the construction of a shared working-class identity that bridges ethnic and racial differences (Lamphere 1987; Stichter 1985:137, 166).

Not all migrants, however, fall into the category of 'migrant labourers' with its highly institutionalised and strict control of workers' movements between an area of employment and an area of renewal of the labour force. Most labour migration is internal and takes place within a nation-state and frequently within a region (Mazumdar 1987; Roberts 1978). In this case too, migration should be understood as something other than an *individual* response to push-pull regional

economic factors and the individual's decision-making capacities to optimise income opportunities. Here too, migration could not be explained only by network theory. Migration should be viewed as a social process linked with the historical unfolding of worldwide capitalism and the struggles of people trying to make a living in the context of different forms of commodification. Roberts points out, for example, that it is *rural differentiation*, a result of small commodity production that triggers rural-urban migration in Latin America. Peasants who are able to accumulate some capital and to expand their network of contacts are those more likely to migrate. Indeed, most studies indicate that 'poverty appears to hinder out-migration' (Mazumdar 1987:1108, 1118; Roberts 1978:96-108).

On the other hand, when thinking about the uses of migration for obtaining a livelihood we must look beyond individual strategising. We should pay attention to the complex set of relationships linking migrants and non-migrants through the articulation of households and to how the transformation of these relations through time both influence and are dependent on individual migratory decisions. A telling example is that of the Huasichinchinos of the Central Andes (Peru) described by Gavin Smith (1989). The people of Huasichancha exhibited a certain degree of inter-household specialisation in herding, farming and trade by the beginning of the twentieth century. Households, however, were linked in a network of labour exchanges organising relations of production through communal institutions and reciprocal prestations. This situation was progressively eroded by the expansion on to communal pasture and subsequent rationalisation of livestock production of a neighbouring *hacienda*. This led to repeated confrontation of highland pastoralists with the *hacienda's* owners. By the 1930s the commodification of labour exchanges with the *hacienda* was barring herders the use of *hacienda* pasture on *huachillero* terms (the right to bring in a designated number of the herder's sheep to be shepherded together with the *hacienda's* flock as a reciprocate return of labour prestation). This, as a consequence, hampered the use of *huachilla* (exchange of labour for animals) and *michipa* (exchange of herding services for other goods and services) between households (see also Martínez Alier 1973).

Together with the regional and national economic expansion, this situation opened 'formal' and 'informal' work opportunities and encouraged out-migration in search of alternative means of livelihood.

A first wave of migration took place in the 1950s and involved pastoralists who could finance migration through the sale of livestock and could count on personal contacts to get started. A second wave of poorer Huasichinchinos in the 1960s came from a mixed but basically farming background. Generally migration was to Huancayo and Lima where petty multioccupational enterprises were established. What is extremely interesting in Smith's account of Huasichinchino migration is the dense network of credit and partnership relations that spread the search for livelihood between residents in Huasichancha and out-migrants in different places, creating what he calls 'confederations of households'. Although not all migrants were integrated in 'confederations of households', this seems to have been the most frequent pattern (up to 53 per cent). It affected individual members' decisions to migrate temporarily (that is, to provide labour for the petty fruit enterprises in Lima during the strawberry season) or more permanently; or to stay in Huasichancha (to take care of the farming and herding ventures of ex-residents), etc. In this case, then, migration is not a definite and isolable individual decision of movement from an economic environment to another, breaking economic and social attachments with the 'sending' community. Rather, it appears as an aspect in a complex of fluid inter-household linkages bridging space and geared towards making a living (G. Smith 1989:77-117; see also Ballard 1987:29 for Pakistani migration to Britain).

On the other hand, labour migration cannot be understood apart from the geographical movements of capital with the aim of reducing costs: energy costs, labour costs, political costs, distribution costs. At different historical moments of the expansion and uneven development of capitalism around the world, cost-reducing priorities have been different locally. In Third World countries, for instance, production and market expansion in a context of limited availability of capital might have geared investments towards production, leaving distribution to a highly labour-intensive, informalised service sector (Bauer and Yamey 1968; Roberts 1978). Generally, labour-intensive industries or production processes within an industry will try to cut on labour costs and on political costs through labour market segmentation and relocation to politically repressive national regimes, while capital-intensive industries or production processes will try to cut political costs through stabilisation and the creation of an internal highly protected labour market. Movements of capital and the political, social and

economic differentiation of space are therefore crucial to capitalism. The international division of labour concept stems from the organisation of production within an industrial process or firm according to spatial differentiation of labour (Fröbel et al. 1980; Nash and Fernández-Kelly 1983; Grossman 1979; Sassen-Koob 1981). This spatial differentiation as to labour's characteristics is produced and reproduced by the differential use of space in the expansion of a capitalist worldwide system (Dear and Wolch 1989; Harvey 1989).

MARKET CULTURE OR MARKET SYSTEM?

The specificity of the labour market: the necessary 'embeddedness'

Production is interaction of man and nature; if this process is to be organized through a self-regulating mechanism of barter and exchange, then man and nature must be brought into its orbit; they must be subject to supply and demand; that is, be dealt with as commodities, as goods produced for sale.

Such precisely was the arrangement under a market system. Man under the name of labor, nature under the name of land, were made available for sale; ... the fiction that labor and land were produced for sale was consistently upheld. (Polanyi 1971 [1944]:130-1)

The paradox that Polanyi highlights is that a market system requires that all factors of production 'be dealt with as commodities, as goods produced for sale' but neither labour nor land are produced for sale. For both nature and people, then, the commodity aspect is a fiction. Moreover, it is precisely because they are *and* are not commodities that they can be exploited. It is therefore necessary to preserve the dual character of land and labour for the capitalist organisation of production to continue.

In Polanyi's description of the different forms of institutionalisation of the economy, only the market economy appears as a sphere separated from other social institutions, and even then the self-regulating, autonomous market sphere is a utopia: because its full realisation would mean the annihilation of humans and nature, of society, and therefore also the destruction of the market system. In non-market-dominated societies, the economy is *embedded* in the social organisation, but in market-dominated societies too, the strong drive towards autonomy and self-regulating market mechanisms is countered by moves

towards the 'self-protection of society' (Polanyi 1971:130) This, according to Polanyi who traces the historical process for Britain, is effected by state interventionism as a response to different pressure groups (landed gentry, working people, industrial capitalists) (1971:131-77). Protective labour legislation both hampers and enables the commodification of labour. It sets the limits within which free market transactions may take place without destroying the human commodity.

Actually, the labor market was allowed to retain its main function only on condition that wages and conditions of work, standards and regulations, should be such as would safeguard the human character of the alleged commodity, labor. (1971:177)

If we follow Polanyi's insight, then, the labour market is necessarily embedded in social institutions other than the market. Polanyi's emphasis is on state regulation through legislation but other institutions have to be considered for the embeddedness of the labour market. Among them are public welfare institutions providing education, health, unemployment coverage, public housing, together with more directly labour-linked social organisations such as unions, and family, kinship, community or ethnic identity associations.

The most important factor of embeddedness hinges on the reproduction – maintenance and renewal – of the labour force. As Marx and other classical economists before him had observed, the costs of obtaining a livelihood are not homogeneous for all working people. Differences may depend on local market variations for subsistence goods, but also on out-market resources obtained through more or less institutionalised channels. Resources comprise goods, services, information. They might be reached through personal networks anchored in ongoing processes of reciprocal prestations, through state organisations such as social security and public education systems, through unions, through neighbourhood, religious or community associations. This social fabric produces differentiation. Labour supply is thus structured in segments as a result of the complex interaction of social relations which *also* harbour (although not exclusively) economic functions.

Take, for example, the family and its provision of non-wage reproductive work. Differences in the structure of domestic group organisation and also in family ideology will affect the position of specific members in the labour market and their bargaining power. Generally, cleavages resulting from family reproductive processes are very strongly

linked to gender and age differences. It is interesting to note that the 'family', in its material presence as a group – both conflictual and solidary – in search of a livelihood, and as an ideological construct, is historically entrenched in the constitution of a labour market both on the 'supply' and on the 'demand' side. The 'family wage' resulted in wage discrimination according to gender and age criteria (May 1982:418), but also was used as a working-class argument for better male wages on the grounds of non-waged dependants supposedly improving overall family income (Humphries 1977). Women workers on the other hand have relied heavily on family morality rather than skill ownership arguments in their struggles with employers (Kessler-Harris 1985).

State social provisioning is also crucial in the structuring of the labour market. Generally, the extension of welfare will benefit those segments with the least bargaining power in the labour market. For instance, a strong commitment to extensive, good quality public education will counter privatised transfer of knowledge and skills, although credentials may be more difficult to extend. Citizens, however, have differential access rights to social security benefits (that is, women; claimants to non-contributory social security benefits) (Craig et al. 1985:110–11). Besides, certain groups of labourers such as immigrants are deprived of civil and social rights altogether, and must rely to a larger extent on informal support networks.

The labour market, then, is necessarily embedded in the social relations that constitute labourers as concrete human beings. And these social relations both produce and are reproduced by a hierarchically segmented labour structure.

Thus the labour force in each economy is stratified by class, race, nationality, religions, sex and many other factors. These divisions are created and reinforced by discrimination, differential access to education and training, professional associations, trade unions, employers' associations and ratified by social beliefs and conventions. The resulting inequalities are partially offset by the welfare state but in other respects the state reinforces divisions in the labour market. Supply-side structuring has its demand-side counterpart in the hiring rules adopted by firms which rest on signals transmitted by social characteristics (age, sex, race, educational qualifications, etc.) which are only partially objectively based but which are taken to measure the relative worth of job applicants. ... The important features of segmented labour markets are that relative wages are no guide to relative skills or productivity and that workers of equal skill or potential ability are employed at widely different wage levels. (Craig et al. 1985:113–14)

Another interesting approach to the embeddedness of the labour market comes from the critique of its crucial characteristic: the principle of *freedom of contract*. As Durkheim (1933) already pointed out, in addition to contractual agreements between individuals other binding social forces are at play. Indeed, contracts are intrinsically imperfect because of the uncertainty of future outcomes and contracting parties have to rely on customary practices and on the 'other's good will'. 'The non-contractual features of exchange agreements are central and functional to any economic system based on trade' (Hodgson 1988:159). Far from being 'free' from non-contractual relations, all contracts in a market system rely heavily on *trust*. Labour contracts are an interesting case because the contractual relation rests on the assumption that the labour power will be put to use in a certain manner. And, although technical constrictions (such as Taylorisation) or different degrees of supervision and force might be applied by employers in order to exact what they consider labour dues, in the end the will of the worker has to be forthcoming. Labour contracts are a reward/penalty framework to be applied subsequently rather than a clear description of the *contents* of the employer/employee exchange. Contents are often unexplicit, non-contractual, informal work and management practices and relations, tightly linked to local, branch or even firm-specific custom and to ideas about what is 'fair'. Therefore, 'all employment contracts involve an element of trust which cannot be obtained or expressed simply in contractual terms' (Hodgson 1988:165). Verbal labour deals in the informal sector, for example, are the extreme expression of a necessary hypertrophy of 'trust', increasing the vulnerability of the weaker side: labour.

Granovetter's argument on 'embeddedness' (1985) rests almost exclusively on the production of trust in transactions. In contrast to what he terms an 'oversocialised' conception of economic action which endows individuals with interiorised social norms and institutions and a 'generalised morality', Granovetter's argument 'stresses the role of concrete personal relations and structures (or "networks") of such relations in generating trust and discouraging malfeasance' (1985:490). He uses network analysis as a theory of social relations, one where personal, concrete economic and social transactions build trustful relations between individuals:

Standard economic analysis neglects the identity and past relations of individual transactors, but rational individuals know better, relying on their knowledge

of these relations. They are less interested in *general* reputations than in whether a particular other may be expected to deal honestly with *them* – mainly a function of whether they or their own contacts have had satisfactory past dealings with the other. (1985:491)

From this point of view, economic action is embedded in an articulated network of personal social transactions. Social relations are transactional experience and economic action would involve choice between alternative partners in order to maximise the unwritten 'trust' element of contracts. It is, in fact, a formalist version of 'embeddedness'.

A more interesting approach is based on the concept of *habitus* which Bourdieu defines as: 'The circumstances associated with a particular class of conditions of existence produce *habitus*, durable and transposable systems of dispositions, structured structures able to function as structuring structures' (Bourdieu 1980:88). The *habitus* is an ideological environment which is produced by history and produces practices. Within these structures that previous history has established, however, there is an 'infinite capacity of generation', albeit 'strictly limited' (1980:91–2). We will expand on the concept of *habitus* in Chapter 4, but the following perspective regarding the labour market seems an interesting elaboration of Bourdieu's concept.

De Gaudemar (1987) tries to go beyond the idea that the supply of labour merely *adapts* to a demand for labour determined by production needs and set mainly by technological constraints. Instead of distinguishing between the two processes of supply and demand of labour, he suggests 'there is only one single process to be considered' which he terms 'mobilization'. Relying heavily on Bourdieu's concept of *habitus* he tries to develop 'a socioeconomic theory of mobilization that would analyse the reciprocal processes that determine the behaviour of both categories of protagonists and which would thus jointly take into account their social realities' (1987:109). His hypothesis of a 'mobilization network' (MN) tries to transcend the concept of a 'labour market' and emphasises the specificity of an 'exchange' which is in fact the creation of a 'relationship of subordination, availability and mobilization' (1987:113). His MN is the dialectical confrontation between the employer's and the worker's *habitus* in their search, respectively, for labour and a means of livelihood. The MN borrows the character of the *habitus* as both a 'structured structure' and a 'structuring structure' and therefore it may be also interiorised (1987:113–14).

The way, then, in which labour and capital stand in a certain relation to each other is obviously embedded in other than 'economic' social relations. These, on the other hand, may be seen as an essential component of relations of production and in that sense 'economic'. We might think of the heterogeneity of the labour market on 'technical', 'social' and 'cultural' grounds as a process brought about, historically, by the development of capitalism, and of a dialectical nature (Wolf 1982:379). There is a necessary and dialectical embeddedness of the labour market that must be dealt with.

The uniqueness of the natural resources market

Polanyi also perceived there was a paradox in the idea of land entering a self-regulating market as a factor of production: 'What we call land is an element of nature inextricably interwoven with man's institutions. To isolate it and form a market out of it was perhaps the weirdest of all undertakings of our ancestors' (1971:178). He describes:

... stages in the subordination of the surface of the planet to the needs of an industrial society. The first stage was the commercialization of the soil, mobilizing the feudal revenue of the land. The second was the forcing up of the production of food and organic raw materials to serve the needs of a rapidly growing industrial population on a national scale. The third was the extension of such a system of surplus production to overseas and colonial territories. With this last step land and its produce were finally fitted into the scheme of a self-regulating world market. (1971:179)

Although Polanyi was thinking primarily of land and the creation of a real-estate market, his remarks can be extended to all natural resources including sunlight, air, water, flora and fauna. Here, as for the labour market, the main problems he underlines are, first, that nature is interwoven with human institutions and, second, the utopian character of a market economy that requires the transformation of nature into a commodity.

Radical ecological economists (Martinez Alier 1992, 1993; Naredo 1987) have discussed some very interesting aspects of the use of natural resources. Some basic problems are the unequal allocation and exploitation of natural resources across political boundaries and across generations, and the unmeasurable character of natural resources.

The critique of the concept of 'carrying capacity' as it has been used by technocratic environmentalists in international forums is particularly interesting. Generally, carrying capacity has been conceived as a relation between population and environment mediated by technology. This has defined Western experts' theories and internationally sponsored policies that emphasise the negative effects of demographic pressure and of 'traditional' techniques such as slash and burn agriculture that deplete natural resources. However, carrying capacity must be understood in a global, historical and political, context. First, the effects of pressure over natural resources in 'developed' countries are exported to other Third World, dependent countries. Take for example the depletion and exportation of *guano* in Peru (1840–80), used for soil enrichment that permitted increased productivity in European and US agriculture. Moreover, pressure over natural resources in Third World countries is not only a result of local demographic increase. It is also a consequence of production increase induced by capitalist development. Take for instance the plantation, the *hacienda*, or the small commodity producing peasants that generate agricultural produce for export in Latin America (that is, sugar, coffee, cattle, cereals, etc.). The pressure of production, then, encroaches on local subsistence practices (Martinez Alier 1992:76–7, 84). Demographic pressure, on the other hand, is not a 'natural' phenomenon but is tied to political control over population movements. Think of the contradictory and perverse policies of Western democracies that demand strict population control for Third World countries on the grounds of population pressure over world resources, while banning immigration and sponsoring natalist campaigns at home.

Another major problem pointed out by ecological economists is the differential allocation of natural resources across generations. The depletion or destruction of non-renewable resources will affect mostly future generations. These, however, will always be under-represented in political forums and decision-making institutions (if only because the majority are yet to be born!). Although we might allow for the discovery and harnessing of presently unknown resources, and for technological innovation (including genetic engineering) as a means to increase the efficient use of energy, it is nonetheless a fact that present generations transform the environment in ways that will significantly affect the material well-being of future generations. Water, air and soil pollution will have consequences as to production, health and

political costs. The impoverishment of the ecosystem's diversity is a necessary condition for its exploitation in terms of energy appropriation. The more an ecosystem is rejuvenated, simplified, disorganised and unstable, the more exploitable it is, but the more dependent and vulnerable it becomes to exterior variation (Parra 1993:14–16). This is an increasingly present reality conditioning future patterns of exploitation and distribution of scarce natural resources. As a result, highly conflictual relations of access to vital resources are exported into the future together with their social, political and economic costs. None of these are seriously being accounted for in the statistics measuring 'economic growth'.

The problem of measuring in market terms environment-related factors such as natural resources depletion, pollution and waste accumulation, is being increasingly addressed by environmentally conscious national governments and international agencies. They face the interlocked issues of value and incommensurability. The French National Accounting System, for example, has devised a dual accounting procedure for the environment. There is a physical account of quantity and quality of available resources together with a parallel valuation in monetary terms (Weber 1993). Those working in this direction are conscious, however, of two crucial problems; first, that 'The valuation of the economy/environment relations can be neither exclusively economic (the availability of resources), nor exclusively ecologic (the state of the ecosystem), but must integrate as well the socio-cultural dimension' (Weber 1993:92); and, second, that environmental phenomena are often not bounded or structured within political-administrative territorial divisions (Weber 1993:112; see also Swift 1993:278–91). Thus, even while speaking of natural resources 'capital', 'stocks' and 'flows', environmental accountants are incapable of evaluating in market terms these 'external' elements of production which increasingly affect the reproduction of the economic system.

Nature, then, is economically incommensurable in market terms.

As there is no economic commensurability we could be tempted to base the decisions on an ecological – instead of an economic – rationality in terms of the concept of carrying capacity. However, the political territorial units on which this ecological politics would be applied do not have any ecological logic, they are products of human history. (Martinez Alier 1993:50–1)

Nature, therefore, is embedded in human society and history. The differential allocation of natural resources across space and time is a

political economic process. Taking into account environmental factors means understanding them from the broader framework of an all-inclusive 'moral economy', without overlooking, however, the impact of the uneven world development of capitalism on the formation and transformation of local and worldwide, hegemonic and counter-hegemonic, 'moral' values.

Meaning in history and the development of capitalist economic relations

Talking about the embeddedness of nature and human labour in present-day market economies brings up some crucial questions. Is capitalist society a market *system* or a market *culture*? Is commodification of all factors of production a 'material' reality or an 'ideal' reality? Is capitalism a sequential process progressing from 'formal' to 'real' subsumption of labour to capital, or an opportunist process combining various forms of exploitation, adapting to and transforming existing local relations of social reproduction? At stake is a methodological breakthrough transcending narrow culturalist and materialist perspectives (Roseberry 1989). What we want to know is *how* capitalism differs, if it does, from other systems of exploitation; how the social identities of people both shape and are shaped by the positions they occupy in the process of capitalist accumulation and in the process of producing their livelihood. Meaning in history appears as the hinge between subjective experience and objective positions in the structure of production; as the bridge, also, between crystallised assumptions and negotiated memories of life and work.

In an insightful account of French industrialisation, M. Reddy (1987) confronts the fact that the labour market was and remained embedded in multiplex social relations. Following Gudeman's (1986) idea of the importance of cultural models as scripts for economic processes, Reddy argues that a 'market culture' was actively resisted by workers as a model for rationalising their forms of securing a livelihood.

To the nineteenth-century textile workers the embeddedness of their worklife was a constant reminder that their labour was *not* a commodity and *did not* respond to the laws of market exchange, that is, to quantitative equivalences of value (Reddy 1987:186-7, 225, 323, 329-34). Women's and children's labour, for instance, was systematically

undervalued because of cultural assumptions about the male breadwinner and the complementary nature of dependants' incomes. Although demand for dependants' labour was high, prices did not follow (Reddy 1987: 8, 162). It is interesting to note, also, that employers used family power relations and ideology to get access and control over dependants' labour (Hareven 1977b; Tilly and Scott 1978; Reddy 1987). On the other hand, workers used family 'morality' to secure higher overall household income through higher male wages (Humphries 1977; McClelland 1987). And, finally, that the meaning of 'family' and its material consequences as to the unequal distribution of resources and power within and beyond the household, was part of the struggle between those trying to obtain a livelihood and those trying to accumulate capital or power.

For Reddy, indeed, all the labour struggles during the nineteenth-century industrialisation of the textile trade in France can be explained by two linked processes: first, workers' resistance to losing control of the labour process, that is, their independence at work, and, second, workers' resistance to a 'market culture' interpretation of their relations with employers, which, according to Reddy, were embedded in family, community and skill-related relationships, with little variation for more than a century. One could sum up these articulated processes as simply expressing workers' resistance to commodification, when the commodity form is seen as both a cultural and a material fact. But Reddy is ambiguous about it because he wants so much to distance himself from materialist accounts of industrialisation, which he sees as thoroughly contaminated by the 'market culture' hegemony.

The whole history of the industrial revolution ought to be treated in the first instance as a cultural crisis that yielded cultural change.

This is not to say that material conditions played no role in the outcome of the struggle. ... [But] there is very little dependable knowledge of what the actual material conditions then were. Nor will such information become available until the whole accretion of pseudo-knowledge of economic conditions couched in the misused and misleading categories of market culture has been jettisoned. (Reddy 1987:15)

He concludes, however, with the following argument:

Something like a moral economy is bound to surface anywhere that industrial capitalism spreads. It arises directly out of the impact of entrepreneurial cost cutting on work routines and the inability of the commodity concept of labour to render employer-employee relations coherent. (Reddy 1987:334)

Reddy's ideas are interesting but the problem remains: how are we to deal both with the fact that labour (and nature) are not produced for sale and are not separated from a multiplicity of non-marketable relations, and the fact that they *are* commodities in capitalist economies. Reddy insists that, for labour, commodification is only the result of a 'cultural' transformation: a market *language* about relations between employer and employee little by little overcomes workers' resistance to its hegemony. But social relations of production were changing and workers were fighting for their independence. Here independence meant the right to retain *in the workplace* social ties *other* than those 'freely' contracted with the employer; social responsibilities transcending those 'voluntarily' acquired with the employer. Workers tried to retain control over the labour process through their defence of skill, of the primacy of quality in production, of apprenticeship regulations. The language of trade organisations and regulations enabled new forms of collective action, where more homogeneous workers' unions struggled for new regulations, attuned to the changing relations of production, and in that process the language of work was also transformed (Sewell 1980). Workers tried to better their income through the use of 'moral' arguments such as the male family wage or a 'fair day's wage' (McClelland 1987), but also through the creation of barriers to the access of the labour market on the grounds of skill, gender, locality, etc. Employers also tried to secure willingness and good work through the use of family or community social ties or the creation of paternalistic and moralistic arguments about the employer-employee relationship; but were ready to adopt a different language and different strategies to secure and control labour if the context changed (Hareven 1977b). Employers also benefited from the creation of an heterogeneous and fragmented labour force where different segments of labour competed against each other, driving prices down and diverting conflict away from capital.

What is remarkable, then, is that both a 'market culture' and a non-market, 'moral' culture were at work in the forging of capitalist relations of production (McClelland 1987:187-202). I would argue, also, that this situation was *not* the result of 'traditional', 'past' values of commonalty resisting the encroachment of new commodified ideas about work. Rather, 'moral' ideas about the economy were being formed as relations of production were transformed and both 'moral' and 'commodified' meanings of work were shaping the path of

capitalist transformation. The feeling that a certain type of embeddedness – material and cultural – is necessary to the construction of capitalist relations of production was, I think, Polanyi's point. For Marx, the discussion on 'formal' vs. 'real' subsumption of labour to capital reveals, in my opinion, the same sort of difficulty. Embeddedness was something lagging over from previous social forms of organising production, that would disappear with 'real' capitalist, fully commodified, relations of production. However, 'formal' subsumption *was* capitalism and was in fact perceived as a necessary stage for the reorganisation of social relations in a capitalist framework. Embeddedness is a reality in what seem to be, nowadays, capitalist market economies. Maybe real subsumption is only the expression of a particular form of formal subsumption. The forms of embeddedness, however, are not the same, long-lasting, residual relations from a past mode of life, but different, specifically capitalist forms of embeddedness, which are, moreover, extremely sensitive to *locality*. The need for *trust* to generate relations in 'free' contractual agreements is a case in point.

The opposition, then, of 'market culture' and 'market system' appears as a false dilemma. Rather, what we perceive is a paradox closer to Polanyi's idea of the *utopia* of a self-regulating market, and to Marx's *commodity fetishism*. People can become commodities *because* they are not things severed from the social relations that produce them. Moreover, because social relations – material and symbolic – constitute people's identities through life, these cannot be separated, in market societies, from the constitution of persons as commodities. As commodities, though, people appear to be detached from social relations other than the exchange relation, and they appear to acquire, through the generalised process of exchange, an abstract, quantifiable value. This is not only a 'cultural' phenomenon. It is a fundamental dialectic process where meanings are part of material forces which are formed by, and in turn transform, social relations of production and reproduction. In that process, power relations and the differential capacities of people in their search for a livelihood change. In his argument about the materialism of culture, William Roseberry points out:

among the material conditions under which they [real individuals] live is included a set of ideas, or sets of ideas, themselves historical products, that serve as material forces. (1989:41)

And he concludes:

Real individuals and groups act in situations conditioned by their relationships with other individuals and groups, their jobs or their access to wealth and property, the power of the state, and their ideas – and the ideas of their fellows – about those relationships. Certain actions and certain consequences of those actions, are possible while most other actions and consequences are impossible. (1989:54)