

Economic Anthropology

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History and theory

The word “economy” derives from the Greek *oikos*, indicating a house-based estate. Aristotle, who owned such an *oikos*, contrasted its ordered self-sufficiency with the threat posed by market commerce. Given this etymology, it is ironic that modern economics has come to be associated with the dominance of the latter. If economic anthropology is equated with cross-cultural philosophizing about human livelihoods in the broadest sense, then Aristotle deserves to be recognized as a founding father. The roots of this specialization are most commonly traced to the expansion of European colonial empires, particularly from the eighteenth century onward. The “other” forms of economy documented by scientific expeditions, but also by missionaries and other adventurers, across the Eurasian landmass as well as in the overseas empires, served initially as a basis for Enlightenment theorizing about the stages of evolution. This continued throughout the nineteenth century, by the end of which systematic attention was paid to labor and material culture. However, until the generation of Franz Boas and Bronisław Malinowski set new standards for long-term field research, the economy was not viewed as a prime object of anthropological theorizing and there was no engagement with the economists.

This changed above all as a result of Malinowski’s research on the Trobriand Islands, the first results of which were presented in the form of an explicit attack on the notion of a universal “economic man.” An initial article was published in the *Economic Journal* in 1921. The argument was given more ethnographic substance a year later in a book devoted to the ceremonial exchange system known as Kula; this work became one of the most celebrated monographs of the discipline (Malinowski 1922). A later, similarly detailed investigation of Trobriand gardening practices did not achieve the same recognition (Malinowski 1935). Together with Boas’s work on the potlatch among the people he called the Kwakiutl, the Kula study influenced a learned but idiosyncratic survey of the history of gift exchange by Marcel Mauss ([1925] 2016). Malinowski’s student (later his successor at the London School of Economics) Raymond Firth published more rigorous studies of other “tribal” economies in Oceania in the interwar decades. Firth was trained in economics. Since in his view the axioms of behavioral economics were universal, he did not follow his teacher’s call to cultivate a distinctive “tribal economics.” While accepting the economists’ definition of their subject as the analysis of how scarce resources were allocated to competing ends, Firth’s rich descriptions showed nonetheless that technologically simple, nonmonetized economies differed greatly from those studied by mainstream economists.

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The term “economic anthropology” was first used in the 1920s. It replaced earlier terminology such as “primitive economics” after Melville Herskovits used it as the title of a compendium in 1940. The second edition of Herskovits’s work had a significantly different emphasis from the original, which had attracted sharp criticism from economist Frank Knight. Theoretical controversies peaked during the ensuing formalist–substantivist debate, which can be seen retrospectively as a golden age for the field. While “formalists” such as Firth maintained that the axioms of economics apply everywhere, since all decision taking is about rational choice making to allocate scarce resources, their opponents insisted that different types of society exhibit distinctive forms of economic integration. The leader of the “substantivist” school was the economic historian Karl Polanyi, who distinguished two senses of the word “economic.” For him, while the maximizing of means–ends relationships was a universal phenomenon, the more significant meaning of “economy” concerned the satisfaction of human needs in a specific context. To understand the workings of nonindustrial economies, it was incorrect to presuppose the dominance of market exchange as a form of integration: other forms, such as reciprocity, redistribution, and householding, were more important. According to Polanyi, the price-forming market only became dominant following the Industrial Revolution. This led, most notoriously in nineteenth-century Britain, to the “disembedding” of economy from society, a pathological condition that could only be remedied through a “great transformation.” Polanyi was influenced by Karl Marx’s analysis of capitalist exploitation but he criticized historical materialism for its economic determinism and placed more emphasis on the expansion of commoditization than on capitalist relations of production (see Polanyi 1968).

The debate between formalists and substantivists generated polemics for more than a decade. Polanyi and some of his followers (notably George Dalton) seemed ready to concede that the substantivists had little to contribute to the study of modern industrial economies. Since market exchange was the dominant form of integration, these economies could be left to the economists. Nowadays, however, economic anthropologists are just as likely to undertake research in neoliberal capitalist factories and Wall Street banks as in tribal or peasant communities. The premise is that all economic activity, even that entirely dependent on new digital technologies, takes place in specific sociocultural contexts. Conversely, it is generally accepted that at least some techniques of the mainstream economists might be productively applied to preindustrial and even to nonmonetized societies.

Several approaches have been advanced to transcend the formalist–substantivist debate. Some have sought inspiration from the European predecessors of modern economics in the tradition known as political economy, and especially in the historical materialism of Marx. In the United States, some anthropologists preferred to keep their “cultural materialism” free from Marxist taint, but various neo-Marxist approaches have flourished as well, ranging from magisterial histories of power and economy in the emergence of the modern world by Eric Wolf to analyses of “accumulation by dispossession” and financialized risk in the era of neoliberal globalization. Meanwhile, French scholars such as Maurice Godelier sought to synthesize the structuralist

approaches of Claude Lévi-Strauss with the stimulus of Polanyi and the political economy of Marx. They invented concepts such as the “lineage mode of production” and showed how such traditional, local forms could “articulate” with a newly dominant commercial mode. For critics, all attempts to generalize the concepts devised by Marx in his analyses of capitalism, such as alienation, exploitation, the labor theory of value, and class, were flawed by their ethnocentricity. The paradigm as a whole was considered too deterministic; for example, while the term “slavery” might well have its uses, it was wrong to consider slavery as a stage in a general model of human evolution. This was a valid objection to the orthodoxy of Soviet ethnological science, but neo-Marxist political economy approaches in Western anthropology sought to avoid such pitfalls.

A quite different but no less sophisticated way to investigate economic systems comparatively without abandoning deep universalist assumptions was that developed in new institutionalist economics, which attracted a significant following among the heirs to the formalists (see Ensminger 2002). The innovation of these scholars was to emphasize the historical formation (or evolution) of economic institutions that provided the frame for the decision taking of individual agents and their “path-dependent” further development. For their critics, however, while new institutionalist scholars might have recognized surface diversity and taken account of many features ignored by other economists, their work was still beset by a reductionist tendency to explain sociocultural variation with reference to economizing principles (what Polanyi termed the “economistic fallacy”).

The antithesis to the alleged determinism of these approaches is to take a more emphatic culturalist position that assigns priority to local models of economic life. From this perspective, the history of Western economic thought can be explored in terms of its metaphors, which were still predominantly agrarian in the age of the Enlightenment, as exemplified in the school of the Physiocrats. The neoclassical synthesis that emerged at the end of the nineteenth century is just another folk model. When this perspective is pushed to an extreme, analysts are obliged to give priority to the local cosmology. They must report, for example, that far from the extraction of surplus value by oppressive human power holders, or the maximization of utilities by rational individuals, the key actors in many tribal economies are the gods or spirits who reward sacrifices made to them by making the land fertile. If economy is defined in terms of the social reproduction of the group, it can be argued that cosmology and kinship are no less important than consumption and material production for subsistence or for sale in a market.

The twenty-first century has brought no epistemological consensus. Subcommunities within economic anthropology tend to talk past each other: while some prefer dialogues with philosophy or cultural studies, others look to archaeology, agrarian economics, or development studies. The successors to the formalists are likely to maintain conversations with scholars in economics, especially in the field of development (as will be discussed in a later section), because they share methodological techniques (modeling and quantitative analysis) as well as theoretical principles (Gregory and Altman 1989). For this camp, value is determined through the price mechanism, the main aim is to link communities more effectively to markets, and the task of political actors is limited

to creating the conditions for markets to do their job. Substantivists and culturalists, by contrast, emphasize the holistic embedding of every human economy. They deploy concepts such as moral economy to question statistical generalization and to ground value in thick descriptions of localized belief systems and social relations. Marxists and feminists (some of whom share a penchant for more abstract models) agree that the “value question” is not resolved by a price mechanism and place relations of power at the center of economic analysis.

Core themes in economic anthropology

Modes of livelihood

One way to organize knowledge in economic anthropology, dating back to the era when evolutionist approaches dominated and persisting most strongly in environmental (ecological) subfields of the discipline, has been to classify societies according to the main means by which their members obtain their livelihoods, whether directly for subsistence or to earn money in a cash economy by disposing of their surplus, or some combination of the two. This encyclopedia contains entries on hunter-gatherers, pastoralists, horticulturalists, peasants, fishing, mining, the informal sector, and industrial workers. These categories mark fairly coherent subfields in which anthropologists have found it helpful to distinguish patterns of economic behavior and explore the interplay with other dimensions of human social life, technologies, and ecological environments. Arguably, given their importance in the divisions of labor of the contemporary world, the service sector and the financial sector should now be added to this list. Elective affinities have developed between subfields and topics. For example, while the division of labor can potentially be explored in any economic configuration, the study of sharing and communist forms is strongly associated with those hunter-gatherers who do not engage significantly in investment or storage. While anthropologists are alert to social change everywhere, the theme of economic transformation has been especially salient in investigations of peasants, migrant workers, and the informal sector.

Work

An alternative way to structure the field of economic anthropology is to borrow from the economists basic classifiers such as production, consumption, distribution, markets, credit, investment, and so forth. Of course, these are the terms of a Western paradigm, and care must be taken to adjust them when applying them in non-Western contexts (Sillitoe 2010). But, provided one remains conscious of their origins, no harm is done by proceeding in this way. Most human groups have some term we might translate as “work,” in the sense of goal-directed activity that is distinct from something approximating play or leisure. Work within the household is often not recognized as such, as feminist anthropologists have pointed out, and the line between work and other activities may be blurred in many other contexts. For example, animist

horticulturalists may not distinguish between energies expended to transform their natural environment and energies expended in rituals to ensure the necessary cosmic environment. Even where a distinction is drawn in theory, in practice economy and ritual are thoroughly entangled in all human societies. Most have structured institutions to promote cooperation, ranging from *hxaro* partnerships linking individual Bushmen to more elaborate forms of mutual aid in peasant societies in which acts of labor are inextricably bound up with socializing and commensality. Analyses of such phenomena, in which work, ritual, and consumption mingle inextricably, will reflect the theoretical orientation of the writer. Formalists and neoinstitutionalists will emphasize the rationality of cooperation in terms of increasing returns or reducing effort, while substantivists and culturalists will emphasize embeddedness and local explanations of why sharing and mutuality are dominant values.

Studies of the economic historian Karl Bücher highlighting the importance of singing and “rhythm” in the accomplishment of material tasks had a great impact on the young Malinowski. Work has remained a central focus of anthropological research in the German-speaking world (Spittler 2008). While Gerd Spittler has pioneered an “interactive” approach that draws on an eclectic range of sources, taken as a whole, research on work shows an elective affinity with the application of Marxist approaches that emphasize the primacy of the mode of production. Anthropologists have studied the extraction of surplus value through the labor process in a wide range of societies, from tribesmen and peasant farmers to post-Fordist factories and the global “precariat” of the early twenty-first-century neoliberal era.

Consumption

The study of consumption was neglected for most of the history of economic anthropology. It rose to prominence in the late twentieth century when the formalist–substantivist debate had petered out and neo-Marxist approaches had been rejected for their alleged economic determinism. If consumption is identified broadly with social reproduction, then arguably it has been central to anthropological research from the beginning: the manner in which classificatory kinship terms map the social universe can be seen as equivalent to the way in which a price system integrates the monetized economy (Gregory 2015). Anthropologists have contributed pioneering studies of historical changes in consumption patterns highlighting the emergence of a differentiated haute cuisine in the Bronze Age and the key role of sugar consumption in linking new plantation forms of production and factory work on either side of the Atlantic. While hierarchical relations are crucial in these historical works, certain modern technologies may have egalitarian potential for their users, a possibility that anthropologists have explored in studies of the internet. Anthropologists have been attentive to aesthetics and material culture, and to the role of consumption in expressing collective identities, from ethnic groups to youth subcultures. From the study of how objects are appropriated and the “social lives of things” as they pass through different “regimes of value” (Appadurai 1986), in modern commodity economies, it is but a short step to recognize how mass consumption is influenced by marketing, advertising, and branding. Theorists of globalization have focused intensively on consumption

practices, often in order to show how apparently universal products are modified and appropriated in distinctively local ways. The experience of consuming a Big Mac is not the same everywhere; anthropologists have shown that, between world regions and also within them, appropriations vary significantly according to the local context.

The Gift

Beyond production and consumption, there is a vast terrain of economic life variously labeled “exchange,” “circulation,” “distribution,” or even “realization.” From the 1920s onward, the paradigm of self-sufficiency (the basis of Aristotle’s original *oikos*) ceded priority to questions of exchange. No discussion of this field in economic anthropology can avoid engaging with a work first published in French in 1925 and in 2016 translated into English for the third time (Mauss [1925] 2016). The *Essai sur le don* (translated in the latest edition as *The Gift: The Form and Sense of Exchange in Archaic Societies*) is an example of the “armchair anthropology” of an earlier era rather than the field research practiced by Boas, Malinowski, and their students. Mauss set out not only to display his scholarly erudition but also to make political points about his own society. His story of how humanity moved from totalizing to more individualized forms of prestation (gift) and then on to the world of modern markets and contracts is an elaboration of an earlier narrative of the evolution of the division of labor by his uncle Émile Durkheim. Mauss drew on Malinowski and Boas (as well as other armchair scholars such as Bücher) to show that humanity was capable of more than *Homo economicus*, the “market ethic” of utilitarian calculation. The “spirit of the gift” (for which the exemplar was the Polynesian concept of *hau*) meant that it could not be separated from its donor. It implied a world in which persons and things are not as neatly separable as the modern West generally supposes them to be. While some interpreters have emphasized the romantic elements in Mauss’s text where he implies the possibility of altruistic giving (in what Marshall Sahlins [1974] termed “generalized reciprocity”), he is better understood as showing that notions such as disinterested and charitable giving should be understood with reference to their historical contexts. Mauss yearns for the reemergence of alternative economic forms based on solidarity from below, such as cooperatives. He is clear that “charity wounds,” that the individual must work, and that the Bolshevik model of socialism was every bit as one-sided as utilitarian individualism. Yet he fails to demonstrate how a rediscovery of an aristocratic ethos of giving, as evidenced in the agonistic Kwakiutl potlatch or in the hospitality rituals and philanthropy of the European feudal nobility, can resolve problems of cohesion and inclusion in industrial social orders.

Trade and markets

Trade and markets formed the main ground on which the substantivists, led by Polanyi, mounted their challenge to the formalists in the 1950s and 1960s. They held that commerce motivated by profit, as theorized by Adam Smith, was not the prime way in which trade had developed throughout history. Long-distance trade, regulated through politics, diplomacy, and administrative controls, was often more significant

than local or regional exchange through markets. Although there was a lot of market activity in the era of Aristotle, those markets were not the autonomous price-forming markets of modern capitalism. Some of Polanyi's students supported this approach through ethnographic studies, for example demonstrating that markets in colonial Africa carried out a wide range of functions beyond narrowly defined economic ones. Price was commonly determined through complex culturally specific negotiations, and such exchange was only one "form of integration." Polanyi argued that, in embedded economies throughout human history, the more significant forms have been *reciprocity* (a concept first used by Richard Thurnwald and Malinowski and exemplified by egalitarian societies divided into two segments, or moieties) and *redistribution* (as illustrated by the Kwakiutl and other tribal societies with a chief whose job it was to reallocate the goods he received as tribute from others or controlled by virtue of his office).

Interest in trade and markets has not let up in the late twentieth and early twenty-first centuries. Unlike some of the early substantivists, and in spite of the technological changes that have transformed national and international transacting, economic anthropologists find it instructive to investigate the sociocultural contexts of complex capitalist economies and the social relations that shape every act of exchange. At the macro level, intensified marketization in the era commonly referred to as neoliberalism (beginning in the last quarter of the twentieth century) has led some to argue that the critique of Polanyi is more relevant than ever before. Contrary to liberal ideologies of the free market, it is a dangerous, utopian myth to suppose that deregulation and privatization are followed by a withdrawal of the state. The reality, as valid for the global economy of the twenty-first century as it was for British *laissez-faire* in the nineteenth century, is that the so-called self-regulating market is only made possible through the coercive power of the state.

Money and barter

Another key topic for economic anthropologists from the beginning has been money. Marcel Mauss argued for a broader definition that would include Kula (valuables of the Trobriand Islanders), even if they did not satisfy the modern Western criterion that the prime function of money is to serve as a medium of exchange. Polanyi was even more explicit in challenging the economists' assumption that money emerged in order to resolve the inefficiency of barter exchange. Like trade, barter needs to be seen as more than just the economic exchange of desired commodities; it usually has a rich cultural and diplomatic context. The ethnographic record is full of cases in which money serves to measure and store value rather than as a medium of exchange. Substantivists developed the notion of "limited-purpose money" in opposition to the "general-purpose money" of the economists. Even the modern form turns out to be soaked in socio-cultural contexts, and it does not necessarily erode the boundaries between economic spheres, as the substantivists supposed. Recent contributions such as those of Keith Hart (2000) and David Graeber (2011) have continued to attack the simplifications of the economists' story. Both authors emphasize the crucial role of politics in long-term historical processes; while the former stresses the significance of violence in the emergence

of money, the latter has argued that digital technologies can enable it to fulfill emancipatory functions.

Credit and debt

Indebtedness is another well-established theme in economic anthropology, particularly in the context of peasants and of nonindustrial trade and market systems in which relationships of trust were always central. Debt may be related to productive investment, but it is also associated with exploitative relations akin to bondage and slavery. Credit and debt have become more prominent in anthropology with the global crises of the early twenty-first century. With “the meta-financial circuit” (Gudeman 2016, 19), exemplified by trading in derivatives, the financial sphere has lost its last links to the “real economy” in which useful commodities are produced and consumed. Anthropologists have explored financialization at many levels, from the central institutions of Wall Street to microfinance schemes intended to allay poverty in the global South. Early enthusiasm for microfinance has waned in view of the negative consequences of indebtedness for many poor borrowers. Under certain conditions, however, policies to promote “financial inclusion” can have beneficial consequences. Political economy approaches have explored the significance of debt in the lifeworlds of “ordinary citizens” by focusing on the strategies of international capital and the elite institutions that create and administer indebtedness at multiple levels, from individuals and households to sovereign states.

Property

Property rights are of fundamental importance for economic organization, and their investigation is therefore of great importance for economic as well as legal anthropology. In the nineteenth century, the transformation of property rights from communal bodies to individuals was the cornerstone of most influential evolutionist theories. The simplifications of these theories were overturned by ethnographers such as Malinowski, who showed how individual and collective rights could exist alongside each other in a wide range of societies, including those of the modern West. These insights were developed in a large literature on systems of land tenure, as well as in studies of pastoral nomads. Economists have a strong tendency to assume that only societies that emphasize private property ownership, in production as well as consumption, can function efficiently. In the twentieth century, experiments with socialist collectivization and central planning were commonly deemed to have failed for this reason. Yet many small-scale societies have developed workable institutions of common-property regulation (not to be confused with open access) that perform as well if not better than the privatization of the commons. While some Marxist–Leninist systems were undoubtedly dysfunctional and only survived thanks to ingenious informal (or illegal) practices outside the plan, anthropologists have demonstrated that the “fuzzy” property relations characteristic of socialism could, under certain conditions, be more conducive to efficient production and social welfare than the privatization imposed following the demise of the Soviet bloc. In contemporary capitalism, anthropologists have extended

their purview to include intellectual property, from high-tech patents to brand names and traditional indigenous knowledge. They are attentive to various new “things” that become tradeable property objects as a result of new biotechnologies (e.g., body parts). Finally, anthropologists have always been interested in the mechanisms by which property is inherited, from strategies of heirship in rural (peasant) societies to the dynasties of family-owned firms in neoliberal capitalism. Despite the rise of a meritocratic ethos, in the contemporary global economy social inequalities still correlate closely with the inheritance of wealth.

Globalization

At the end of the last of his Trobriand monographs, in which he addressed questions of work and property, Malinowski (1935, app. 2) regretted the fact that he had paid insufficient attention to the wider context in which the islanders found themselves, long exposed to white traders as well as missionaries and government officials. From the middle of the twentieth century onward, economic anthropologists took greater pains to situate their ethnographic studies within global dynamics, in particular the exploitative imperialist dynamics of capitalism as a world system. Complementing macrolevel accounts, studies of consumption have drawn attention to the ways in which global products and “modernity” itself undergo local appropriation. These localizing processes are increasingly driven by the astute policies of transnational corporations. Advertising and branding are essential to successful marketing. The phenomenal expansion of tourist markets and heritage industries exemplifies these developments, which have attracted increasing attention from anthropologists in the late twentieth and early twenty-first centuries. The sociocultural dimensions of capitalism are also of interest to many researchers in business schools. There is an overlap here between traditional concerns of economic anthropology and an emerging business anthropology (see the eponymous journal).

Socialism

No one doubts that capitalism was the winner of the Cold War (i.e., the competition between the West and the Soviet bloc that ended with the collapse of the latter in the early 1990s). During the decades before this collapse, numerous economic anthropologists explored the distinctive economic organization of socialist countries wherever it was possible to gain access to them. Most work in Eastern Europe was based in the countryside and concentrated on the collective farm. Studies showed that the more successful adaptations of the doctrines of central planning, such as those developed in Hungary after 1968, were those that combined principles of social ownership with material incentives and market signals. Factory studies suggested that problems of alienation and exploitation might not be so different from the problems found in capitalist factories (e.g., where systems of piece-rate remuneration were used). However, the only general model of socialism developed by an anthropologist was based on the case of Romania, an exceptionally repressive variant under the dictatorship of Nicolai Ceaușescu (Verdery 1996). Investigations of socialism are of

more than antiquarian interest. It soon turned out, in the chaos of “postsocialism,” that, even if consumer options and property rights were nominally strengthened after 1990, this was not much consolation in practice for the many “losers” of the transformation processes. Anthropologists have discovered that many citizens of the former Soviet bloc now rue the loss of their former securities. They are also prominent among social scientists investigating changing ideologies and local practices in several states (notably China, Cuba, and Vietnam) that claim to be continuously updating their socialism rather than discreetly abandoning it. The larger question at issue is whether, in the globalized world of the twenty-first century, it is still possible to organize the economy according to principles other than those of neoliberal market capitalism.

Moral economy

Moral economy is a significant field that has long been of interest to economic anthropologists, building in particular upon the use of this concept by the Marxist historian E. P. Thompson and political scientist-cum-anthropologist James Scott. Mainstream economists tend to approach welfare with a focus on the *Pareto optimum* (the condition from which no deviation can be made without reducing someone else’s utility). But this initial distribution has nothing to do with normative justice. Critics tend to draw on the earlier traditions of political economy, notably those stemming from Marx, even though he too aspired to a positive, scientific critique of the capitalist institutions of his day rather than a moral one. Those invoking moral economy usually focus on the norms and values of the group in question, especially the ability of subordinate classes to assert these norms as a form of protest and resistance. There is a tendency (echoing that of some early substantivists and arguably Polanyi himself) to romanticize the integrated communities of the preindustrial era and to overlook the extent to which their members engaged in commercial activity or otherwise maximized utilities. Moral ambivalence characterizes a good deal of the activity that takes place in the informal sector: for example, *blat* in the Soviet Union was an “economy of favors” in which it was not always easy to distinguish the instrumental manipulation of relationships from sincere friendships. Some scholars delve into the moral background that informs economic decision taking of whole societies, while others focus more on the moral (or ethical) dimension of individual decision taking (Brown and Milgram 2009). While much research in this field connects with sociological studies, an enduring interface also exists with economic psychology. Some economic anthropologists are interested in the role played by emotions in motivating economic behavior, including the drive supplied by “negative” feelings such as envy and greed, which (it has often been asserted) can act as obstacles to innovation and development.

Households

In early versions of his economic anthropology, Polanyi included “householding” as a fourth form of integration (in addition to reciprocity, redistribution, and exchange). Although this was eventually dropped (or rather subsumed under the category of redistribution), studies of the distinctive features of economic life at this level have

been one of the main components of economic anthropology from its early days. Inspired by the Russian agrarian economist A. V. Chayanov, anthropologists realized that the dynamics of production in a peasant economy oriented primarily toward meeting the subsistence needs of its members would differ from those of a capitalist enterprise seeking to maximize profit on the market. The key explanatory variable for Russian peasant households before the revolution, according to Chayanov, was the fluctuating ratio of workers to consumers within each household. Marshall Sahlins (1974, 41–148) extended this principle to formulate a “domestic mode of production” that he applied to a wide range of tribal societies. Later studies showed that imbalances of a demographic kind could be evened out and compensated for by mechanisms external to the household, and that most tribal and peasant societies exhibited structured inequalities, notably in the distribution of property. Culturalist economic anthropologists showed the importance of a “house model” of the economy that emphasized frugality and the aspiration to self-sufficiency, even when this was increasingly contradicted by the realities of peasant incorporation into wider systems of markets and state power. By looking at social relations inside the household (not always fully congruent with kin relations), anthropologists opened up what for mainstream economists tended to be a black box. They have illuminated the factors, including the propensity to “self-exploitation,” that can confer competitive advantages on family enterprises, not only in artisan contexts but also in mature capitalist economies. Feminists have consistently highlighted patriarchal domination of the household, not only of men over women but also of older men vis-à-vis their juniors. Attention to the household remains as important as ever in the era of neoliberal capitalism, nowhere more so than in postsocialist societies. Women tend to be the first to lose their jobs in the course of downsizing, and resilience is exemplified by the substitution of services previously purchased on the market, or provided by the state, with the intensification of female household labor.

Applied economic anthropology and “development”

Many of the topics outlined in the preceding sections have practical relevance for policy makers and citizens. But some economic anthropologists have gone further than others in seeking to apply their expertise outside the academy, sometimes because they themselves were committed to notions such as modernization or development. Malinowski himself encouraged such initiatives in the late colonial period, though some distinguished contemporaries (e.g., E. E. Evans-Pritchard) were unsympathetic. Firth followed his teacher Malinowski in agreeing that it was important to venture down this road, but he was cautious in formulating what the specific contribution of the applied economic anthropologist might be. Certainly there was a role to play in terms of translating local ideas and aspirations to external policy makers, and vice versa. But Firth also stressed the risks and warned that, in some circumstances, anthropological interventions might be unhelpful from the point of view of the people concerned. Questions about how to adapt to the modern world (e.g., how to cope with an influx of

tourists) without losing what is most important in a society's traditions must ultimately be answered by the society's members.

Applied anthropologists are nowadays to be found not only in rural development schemes but also at a range of urban sites from waste disposal zones on the periphery to capitalist corporations at the center. Some scholars equate "development anthropology" with "the anthropology of development institutions," but tensions can arise between anthropologists who work for government agencies and nongovernmental organizations and those who take these organizations as their primary object of study. The expansion of inequality and poverty under neoliberalism is critiqued by development anthropologists in terms of intensifying managerialism and the prevalence of corruption, weak or failing states, and civil societies that bear little resemblance to earlier Western prototypes (see Edelman and Haugerud 2004). There is still little consensus as to what exactly the skills of the anthropologist might contribute. Can a well-trained anthropologist come up with reliable diagnoses and recommendations following just a brief field trip? The answer is "perhaps yes," but only if the anthropologist already has detailed knowledge of the society, or at least of a rather similar society close by, and "probably not" if the anthropologist is a complete stranger to the region, regardless of the level of his or her qualifications. While there is agreement on the need to understand and respect local ideas, including those pertaining to the economy, and to encourage "participatory development," anthropologists may still quarrel concerning policy recommendations. Should solutions always be predicated on local foundations or can some elements of social engineering be justified? When is it legitimate to introduce new technologies that might, for example, reduce drudgery overall but impact heavily on established gendered divisions of labor and thereby lead to unpredictable consequences for household and social cohesion? Numerous anthropologists have been scathing in their criticisms of development economists for their tendencies to impose Western categories and to ignore the capacities and agency of local people (Hill 1986).

Polly Hill worked in Africa and India in the heyday of the "modernization" paradigm. In the era that saw the winding down of the principal European colonial empires, it was assumed that the "stages of growth" for the "Third World" would be basically the same as those experienced earlier by the advanced capitalist countries. The context was determined by Cold War rivalry with the socialist blocs, which developed their own programs of international aid. Arguably, the interventions had much in common, especially in fostering the growth of bureaucracy, prioritizing large-scale technologies and "scientific" knowledge, and failing to harness the skills of local populations. Large-scale emigration from the countryside turned peasants into proletarians and led to the emergence of shanty towns. From the state's point of view, these masses were unemployed. At best, they contributed to a further swelling of the inefficient "bazaar" sector. However, anthropological studies showed that, even where few of these migrants gained regular wage-labor jobs (and thus could be classified in the national statistics as gainfully employed), they and their households pursued diverse activities in what became known as the informal sector. Opinions differed as to whether petty trade in bazaars and the informal sector more generally could be a valuable lubricator of the large-scale, formal sector, and even an incubator for future entrepreneurs, or

a parasitical underground economy based on violence and criminality that hindered processes of virtuous modernization.

The end of the Cold War caused the classification “Third World” to be substituted with that of “global South.” Some countries have experienced spectacular growth rates, with lifestyles coming to resemble those of the global North for significant portions of their population. But many more remain trapped in new forms of dependency, vulnerable to land grabs in the countryside and neoliberal “flexibilization” in the cities. In theory, the institutions and practices of “international development” are charged with addressing problems of endemic economic backwardness through redistribution. In reality, the imposition of “structural adjustment” policies has condemned many postcolonial states to further cycles of impoverishment since the 1980s. Interventions by international organizations aimed at releasing economic potential and political empowerment have in practice only led to more convoluted bureaucracy, and this new “Aidland” has undermined the capacities of the local state. Countries possessing mineral resources are particularly likely to attract the attention of foreign corporations. Mining investments may give rise to employment opportunities that are welcomed by local people. Very often, however, the spoils are unequally distributed, and any benefits turn out to be short lived. As the consequences of climate change become ever more serious, it is increasingly realized that the current hegemonic forms of neoliberal capitalism are accentuating environmental problems. Many anthropologists are therefore active in social movements critiquing a philosophy of development based on ever-intensifying exploitation and commoditization. Some look for theoretical inspiration to Polanyi’s argument that both labor and land are “fictitious commodities” (1968, 26–37). To subject human beings and natural environments to the logic of capitalist markets is to undermine the sustainability of human economies and ultimately of the planet.

Summary

With its roots in philosophical reflection and evolutionist speculations about the nature of economic life in “other,” “savage,” or “primitive” societies, early economic anthropology was nourished by the rise of the ethnographic method. It flowered theoretically in the confrontation between formalists and substantivists in the 1950s and 1960s, which continues in new guises. The professionalization of both anthropology and economics in the course of the twentieth century, and the domination in both of the English language, have not been accompanied by a constructive dialogue. While economists believe that they are closer to the natural than to the social sciences, many socio-cultural anthropologists have rejected the aspiration to science altogether. Economic anthropology has thus become a fuzzy and porous (sub)discipline. Some practitioners are interested in forging new links to evolutionist and cognitive sciences, while others engage with humanities scholars in fields ranging from global history to cultural studies of contemporary capitalist societies. Scott Cook (2004) concedes that the major theories in economic anthropology cannot be falsified, either logically or empirically, while nonetheless making a strong case for a modified empiricism that is sufficiently robust to refute the romantic laments of the substantivists and their followers. Stephen Gudeman

(2016) integrates twenty-first-century financial developments into an ambitious cross-cultural theoretical modeling of the economy. Keith Hart, Jean-Louis Laville, and Antonio D. Cattani (2010) adapt the concept of the human economy (originally used by Karl Polanyi to open up wider fields of investigation such as economic history and economic sociology). There is general consensus that the work of two twentieth-century polymaths remains central to the enduring canon of economic anthropology: although neither carried out ethnographic research himself, the insights of Marcel Mauss and Karl Polanyi continue to exert an immense influence over the (sub)discipline.

While ethnography will surely remain central to research in economic anthropology, the main challenge for the future will be how to reengage with other scales and other disciplines to illuminate issues such as global social inequality. There is an urgent need to substitute growth of gross national product (the leitmotiv of the postwar modernization paradigm) with sustainable forms of development grounded in new notions of what Aristotle termed “human flourishing” (*eudaimonia*). Nowadays, a very high proportion of wealth consists of monetary assets that are held and inherited privately (lack of transparency in national statistics prevents analysts from accessing exact figures). In spite of the dramatic expansion of income and wealth at the top of the scale (oligarchs are currently flourishing everywhere and not only in the ex-socialist countries), economists have suggested that, for the planet as a whole, social inequality may now be in decline. Though it may be high and still rising within most countries, the coefficient for inequality may be declining overall as a consequence of the rise of large new middle classes in states such as Brazil, China, India, Russia, and South Africa. While incomes in these countries (collectively known as BRICS) have been rising in the twenty-first century, they have stagnated for the middle classes in the most advanced capitalist countries. In short, we may be experiencing the most significant reconfiguration of inequality on the planet since the onset of the Industrial Revolution. Alongside attention to localized patterns of economic organization and concepts of value, these macrosociological configurations deserve closer attention from economic anthropologists than they have received hitherto.

SEE ALSO: Agriculture: Modern Farming Systems; Animal Management and Stock Keeping; Artisan; Barter; Bazaar; *Blat*; Brands; Bride-Price; Bücher, Karl (1847–1930); Business Anthropology; Capitalism; Capitalist Corporation, the; Charity and Philanthropy; Chile, Anthropology in; Class; Commodity; Common Property; Communism; Consumption; Cooperatives; Corruption; Credit and Debt; Dalton, George (1926–91); Development Agencies; Division of Labor; Domestic Mode of Production; Economic Psychology; Economy, Cultural Approaches to; Economy, Feminist Approaches to; Embeddedness; Ethnoeconomics; Exploitation; Extractive Industries and Development; Family Firms; Finance; Firth, Raymond (1901–2002); France, Anthropology in; Gender and Economics; Gift; Globalization; Godelier, Maurice (b. 1934); Governance; Historical Linguistics; Horticulturalists; Household; Hunter-Gatherers; *Hxaro*; Industrial Workers; Informal Sector; Inheritance; Investment; Kula; Marketing; Markets; Marxism; Material Culture; Mauss, Marcel (1872–1950); Microcredit; Migrant Laborers; Mining; Mode of Production; Money; Moral Economy; Neoliberalism; Participatory Development; Pastoralists; Paternalism; Peasants; Personhood, Self, and

Individual; Polanyi, Karl (1886–1964); Political Economy; Potlatch; Privatization; Property; Public Sector versus Private Sector in Development; Reciprocity; Redistribution; Religion, Marxism, and Ideology; Risk and Uncertainty; Russia, Anthropology in; Sahlins, Marshall (b. 1930); Self-Sufficiency; Sharing; Shopping; Slavery; Socialism, Marxist–Leninist–Maoist; Storage; Structural Adjustment Policies; Subsistence; Surplus; Technology; Thurnwald, Richard (1869–1954); Trade, Long-Distance; Value; Weber, Max (1864–1920); Wolf, Eric (1923–99); Work; Work: Piece-Rates

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