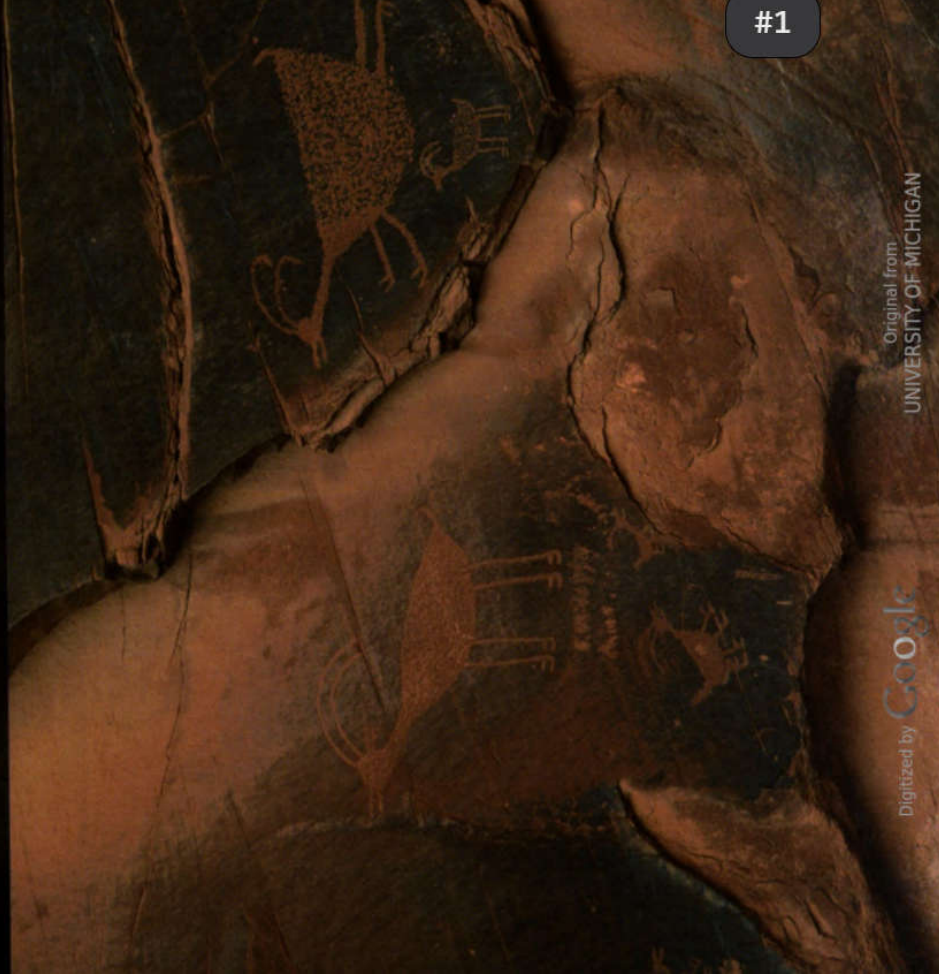




A Handbook of Economic Anthropology

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27 Value: anthropological theories of value

David Graeber

Economics might be said to have begun largely as a series of reflections on the origin and nature of value in human society. But those days are long since past. Nowadays, economists tend to limit themselves to producing mathematical models of how economic actors allocate scarce resources in pursuit of profit, or how consumers rank their preferences; they do not ask what those actors are ultimately trying to achieve in life or why consumers want to consume the things they do. The latter sorts of questions, questions of value, have been largely abandoned to anthropologists, sociologists or philosophers.

It is not entirely clear, however, whether an anthropological theory of value actually exists. Anthropologists often talk as if one does, even as if there are quite a few of them. But it is difficult to find anyone willing to describe clearly what such an anthropological theory of value might look like. Instead, one usually finds three different uses of the term, and a feeling that on some ultimate theoretical level they are the same. They are:

1. 'values' in the sociological or philosophical sense. This is the sense in which an anthropologist might say 'seventeenth-century Hurons placed a high value on individual autonomy', or a politician might speak of 'family values';
2. 'value' in the classic economic sense, in which one might speak of the market value of a house, food processor or ton of pig-iron;
3. 'value' in a more specific linguistic usage, particularly the structural linguistics of Ferdinand de Saussure. He argued that the meaning of a word was essentially a 'negative value', a contrast with other words in the same lexicon, as the colour 'red' is defined in contrast to 'yellow', 'blue', 'brown', 'pink'. One might call this 'value as contrast' or 'value as meaningful difference'.

What would it mean to say these are all, ultimately, versions of the same thing? Presumably, several things. It would imply the existence of some kind of symbolic system that defines the world in terms of what is important, meaningful, desirable or worthwhile in it. This system of value would presumably extend to everything from feelings about what one might like to eat for breakfast to what human beings basically owe one another or how one

wishes to be remembered after one is dead. And it would imply that there is a way to understand how this system translates into practice.

Most anthropologists use 'value' in a way that suggests they believe such symbolic systems do exist. Most nowadays are also pretty certain that old-fashioned ways of talking about bounded 'societies' or 'cultures' are not the best way to approach the problem, that instead people negotiate their way through a variety of different 'domains' or 'regimes' of value. But beyond that, there is very little agreement as to how these are actually organised.

This is too bad, because these are important questions, and many critical unresolved issues in social theory turn on the answers. Let me then briefly describe the background in Western economic theory, outline some of the chief ways in which anthropologists have, over the last hundred years or so, used 'value' and, finally, examine some recent attempts to create a synthesis.

Value in Western economic theory

The standard history of Western economic theory begins with the mercantilists and physiocrats of the early eighteenth century, then moves on to the political economy school (Adam Smith, David Ricardo, Karl Marx), but sees all of these essentially as precursors. Modern (neoclassical) economics was born from the marginal revolution of the 1870s. It is interesting that what set each of these schools apart from the others was, above all, its views on the origin of value, which over time became increasingly disembodied and subjective. Mercantilists located wealth in precious metals; physiocrats argued that since the ultimate source of value was nature, all social wealth was ultimately derived from agriculture; the political economists claimed that value was a product of human labour (in other words, that it emerged through the body, at exactly the point where our minds become a physical force in nature). For neoclassical economists it transcended the physical altogether, and became simply a subjective measure of desire. From their time on, the value of an object became increasingly indistinguishable from its price: how much potential buyers were willing to give up to acquire some product on the market. It exists only in the eye of the beholder.

It is important to bear in mind that, for earlier economists, value was assumed to be different from price. People were willing to pay money for an item *because* they saw it as valuable for some other reason. True, prices would also fluctuate owing to the vagaries of supply and demand; but all other things being equal, the market price of a loaf of bread, it was assumed, would tend to gravitate towards what was often called its 'natural price', its inherent desirability, measured in relation to the desirability of other items. It was in this sense that value was seen as the regulative principle of prices. Economics could only free itself from such a notion when it purged itself of all moral

elements; as a result, the marginal revolution really involved eliminating value from economics entirely.

To understand this, consider Smith's famous statement of the so-called 'paradox of value', which he posed in explaining the distinction, originally posed by Aristotle, between value in use and value in exchange:

The word value, it is to be observed, has two different meanings, and sometimes expresses the utility of some particular object, and sometimes the power of purchasing other goods which the possession of that object conveys. The one may be called 'value in use'; the other, 'value in exchange.' The things which have the greatest value in use have frequently little or no value in exchange; and, on the contrary, those which have the greatest value in exchange have frequently little or no value in use. Nothing is more useful than water: but it will purchase scarce anything; scarce anything can be had in exchange for it. A diamond, on the contrary, has scarce any value in use; but a very great quantity of other goods may frequently be had in exchange for it. (Smith 1776: 28)

Now, the standard line, repeated endlessly in economic textbooks, is that Smith was unable to resolve this paradox because he lacked an adequate theory of supply and demand. His mistake was to, naively, contrast what an economist would now call the total utility, the overall usefulness, of water, with the total utility of diamonds, where he should have been looking at the marginal utility of any unit of water: since the market price of any one unit of a product is the lowest amount a potential buyer is willing to pay for it, and since most people already have access to water, the price they would be willing to pay for an additional unit is likely to be very low. It was because Smith was unable to see this that he was forced to invent the famous labour theory of value, concluding that the high price of diamonds must derive from the fact that it takes all sorts of toil and trouble to produce one, while water falls from the sky. According to the usual account, then, this mistake led economics down a series of hopeless dead ends, ranging from Ricardo's attempt to calculate the natural price of a commodity through the total number of 'man hours' that went into producing it, to pretty much the entire corpus of Marx.

This is all a bit odd because, as others pointed out (for example, Fayazmanesh 1998), there is no reason to believe that Smith even saw this as a paradox, or felt that there was anything to be explained here. He was trying to make a very different sort of point. Smith was, after all, a professor of moral philosophy; economics had, until very recently, been considered a branch of ethics; and the example he used, of diamonds and water, had a long history from theological arguments within the medieval Catholic church.

The paradox of value first appears, in fact, in the works of St Augustine, who in *The city of God* (IX: 16) noted that there was a great disparity between how one might evaluate things 'according their own merits' (by which

standard plants are clearly superior to stones, animals to plants, humans to animals) and how humans value them: we would much rather have bread or gold in our house than mice or fleas; people will often spend more money for a horse or jewel than for a slave. For Augustine, this was a result of our fallen nature, because of which we are cursed with endless physical needs and desires. These distort our perceptions. We come to see things through our own needs (use value) rather than their absolute worth, their position on the Great Chain of Being and, hence, proximity to God.

Such reflections were of interest to Scholastic thinkers of the Middle Ages seeking a way to calculate the 'just price' of a given commodity. Roman law had defined a just price as anything a buyer and seller were willing to agree on, but this could easily lead to results that flew in the face of any sort of morality. A starving prisoner might be willing to trade his entire fortune for an egg, but that did not make it right to make him do so. A fair or just price, therefore, should have some relation to the 'intrinsic worth' or 'value' of what you were selling. But how should that be calculated? As theologians from St Thomas Aquinas on were quick to realise, Augustine's scale of natural perfection was not much help here, since we are dealing with the domain of human needs.¹ But basing intrinsic value on the ability of an object to fulfil human needs did not really work either; first this was not an intrinsic quality, it was relational; second, as the example of water and diamonds revealed, there was little systematic relation between needs and prices anyway. Aquinas concluded that a just price would simply be one the seller would himself have been willing to pay for some commodity; others, notably members of the rival Franciscan school of Duns Scotus, which was far more suspicious of wealth and private property, argued instead that intrinsic value had to be based in its costs of production, which made labour the main source of value.

In *The wealth of nations*, Smith was clearly drawing on this moral tradition. But as an Enlightenment optimist, he was also committed to the proposition that God had designed the world so that it would essentially run on its own accord for the benefit of humans. Hence his famous argument that the market would, if allowed to work by its own logic, produce an optimal result 'as by an invisible hand', an effect which he explicitly said was a result of Divine Providence. Here, too, he was not as much interested in a scientific argument about the reasons for price fluctuations as in a moral argument that in the absence of interference, market prices would indeed always tend to gravitate around the natural price (1776: 51); which in turn meant that people would indeed be justly rewarded for their labours.

The problem was that the latter proposition soon became very hard to defend. Ricardo, who tried to develop Smith's labour theory of value, was soon to discover what he called an 'iron law' that held wages down; this, of course, set the stage for Marx's critique of the entire wage system as turning

human creativity itself into an abstraction that can be bought or sold, necessarily involving alienation, exploitation and the destruction of most of what makes life meaningful or worthwhile. The marginalist revolution simply tossed the problem aside by redefining economics as the study of price formation. After it, any talk of intrinsic value came to be seen as meaningless metaphysics, a primitive idea of some kind of invisible substance that scientific economics could only reject. Value was price, and nothing more. It was purely subjective. By the 1930s, value itself, once considered the main subject of economics, had largely faded away as an object of theoretical reflection. Whatever it was that ultimately motivated people to want the things they did, either it lay outside the purview of economics (a matter for psychologists, perhaps) or, for many, it was inherently unknowable; nothing could be said about it at all.² In this way economic theory became the model for a new sort of extreme moral relativism, embodied nowadays in rational-choice approaches to human behaviour that, rather paradoxically, claim a higher moral authority precisely because they are 'value-free'. In other words, it is no longer necessary to try to prove (like Smith) that the market rewards us justly for our labours, because there is no standard of justice outside of the market itself.

Back to anthropology

The ethical trick largely lies in the word 'rational'. Market behaviour is by definition rational. In the world as viewed by contemporary, free-market economists (which is, increasingly, identical to the world as viewed by governments and other ruling institutions), anthropologists and their like are therefore relegated to two roles. One is to describe the causes of 'irrational' or 'inefficient' market behaviour: why people, especially non-Western people, sometimes do not act in the way economic theory says they should. The other is to describe the logic of consumption, which is the one area in which people are not really supposed to be acting rationally, but rather, constructing their unique individual or ethnic identities, or perhaps forging social ties (for example, Douglas and Isherwood 1979; Miller 1987, 1995; Sahlin 1976). Either can lead to employment for anthropologists willing to go that route, either for development agencies or advertising firms. But neither are exactly about value.

The promise of value theory has always been to do much more. It has been to understand the workings of any system of exchange (including free-market capitalism) as part of larger systems of meaning, one containing conceptions of what the cosmos is ultimately about and what is worth pursuing in it. Such systems of meaning meant that the kind of moral and ethical questions that Aquinas or Smith felt were at the heart of the matter could not simply be pushed aside.

I began by observing that those who wish to revive a more comprehensive value theory of this sort generally begin by searching for the common basis between values in the sociological sense, economic value, and the meaningful difference of the linguistic use of the word. There are many reasons to believe such a common basis should exist. For instance, anthropologists, much like sociologists or philosophers, have long been accustomed to speak of values in the plural sense, as one does when, for instance, one says that in Mediterranean societies 'honour' is a key value or that, in America, 'freedom' is. Within capitalist societies, the word is normally invoked to refer to all those domains of human action that are not governed by the laws of the market: thus we hear about family values, spiritual values, values in the domains of art and political ideals. In other words, 'values' begin precisely where (economic) 'value' ends. This would certainly imply that we are dealing with two different refractions of the same thing and, therefore, that we would be justified in searching for their common basis.

When economists, or those trying to apply economic approaches to anthropology, actually come to grips with their material, they often come to surprisingly similar conclusions. Neoclassical theory assumes that all human behaviour involves the allocation of resources in pursuit of some kind of scarce good in such a way as to achieve the most product from the least sacrifice. However, anyone who tries to apply this to anthropology will encounter cases where people seem to be vying to sacrifice as much as possible: potlatches, contests of generosity, gratuitous displays of wealth. The usual explanation is that they are trying to 'maximise' some other sort of value: prestige, honour, fame, religious merit; precisely the sort of values from which most anthropologists begin.

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Value as the meaning of actions

For a long time, Marxist anthropology did not have much to say about value (for one exception, see Taussig 1980). However, one of the most promising of the new approaches that began to emerge in the 1980s grew primarily out of Marx's insight that value ultimately measures the importance not of objects, but of actions. The two most important advocates of this new approach were Terence Turner (1979, 1984, 1987) and Nancy Munn (1986; her phenomenological approach does not derive directly from Marx, but draws on the same dialectical tradition). I have tried to develop their ideas in my own work (Graeber 2001). Let me end, then, with a brief outline of how an action-based value system might work.

Like Smith, Marx did not propose a labour theory of value mainly as a way to explain price fluctuations,¹ but as a way of connecting economic theory with broader moral and philosophical concerns. For Marx, 'labour' was more or less identical with human creativity: it is the way human beings exercise their imaginative powers to create their worlds, their social ties as well as their physical environments. The unique thing about capitalism, Marx held, was that it allowed labour to become an abstraction. This was because capitalism alone turns labour into a commodity, something that can be bought or sold, and what an employer who hires a labourer buys is an abstraction, that labourer's *capacity* to work. What makes this possible is the use of a specific symbolic medium of value: money. For Marx, money is a symbol. It

represents the 'value' or importance of labour. It can do so by incorporating it into a total market system, because for Marx the real value of a product is not (as Ricardo claimed) how many hours of work went into making it, but the proportion of the total amount of labour in the entire economy that went into making it. This proportion one can only determine through the market; that is, through the use of money. But even more, money is a symbol that brings into being the very thing that it symbolises: after all, wage labourers only go to work in order to get money. This is why, in Marx's terms, we can say that money is being 'fetishised'. Value is the way our actions take on meaning or importance by becoming incorporated into something larger than ourselves. But almost always, this can only happen through some kind of material medium, a token of value like money. Fetishism occurs when we assume that the value comes from the token, rather than ourselves.

In most known human societies there was no such market in labour; but still, one can say something similar happens. Different sorts of labour (perhaps better put: different forms of human creative activity) cluster together. They tend to get reflected back in the form of concrete, material media that are seen as valuable in themselves, and thus end up becoming the actual ends for which action takes place. Tokens of honour inspire honourable behaviour, tokens of piety inspire religious devotion, tokens of wisdom inspire learning and so on. Their value is just that of the actions they represent, but the actors see them as valuable in themselves. Usually, these tokens are unlike money, which is an abstract medium in which all tokens are effectively the same: any dollar bill is to all practical intents and purposes identical to any other. Instead, these tokens are unique, particular things: heirlooms, unique gestures, titles and so on. But this makes sense, too. After all, the same thing happens, to a lesser degree, in our own society. Recall my earlier remark about economic 'value' applying within the market, and a more particular sort of 'values' applying outside it. Abstract labour, the sort you get in the capitalist workplaces, ends up being materialised in abstract symbols; more concrete forms of labour end up being materialised in more concrete symbols. So housework and childcare, for which one is not paid, becomes a matter of 'family values' and is reflected in tokens of love and respect; work for the church becomes a matter of religious values, political activism is inspired by social values and so on. But even here, there is usually some sort of material token through which it all becomes real.

To schematise matters considerably (and readers interested in seeing any of this fleshed out are encouraged to consult Graeber 2001), allow me to suggest the following. First, value is the way actors represent the importance of their own actions to themselves as part of some larger whole (or 'concrete totality', as Marx liked to put it). Second, this importance is always seen in comparative terms. Some forms of value are seen as unique and incommensurable; others

are ranked (as in categories of *kula* valuables or the famous Tiv 'spheres of exchange'; see Strathern and Stewart chap. 14, and Isaac chap. 1 supra); for yet others, such as money in market systems, value can be calculated precisely, so that one can know precisely how many of item A are equivalent to one item B. Third, importance is always realised through some kind of material token, and generally is realised somewhere other than the place it is primarily produced. For instance, in non-capitalist societies commonly there is a domestic sphere in which most of the primary work of people-creation takes place, and this is distinguished from a public, political sphere, in which the value generated by that work is realised, but usually in ways that exclude the women and younger people who do the bulk of the work.

Turner has tried to develop such ideas in a series of analyses of the Kayapo, of central Brazil. One of Turner's key points is that in non-capitalist societies the bulk of social labour is not so much directed at creating material objects as at shaping and reshaping human beings and the relations between them; the Kayapo see material production as a subordinate aspect of the reproduction of people. Hence Kayapo communities are organised as rings of households, surrounding a central, public, political space dominated by a plaza and adolescent men's houses. The households can be seen as the areas where the bulk of the creative work in raising and socialising children (and, for that matter, adults) takes place, through relations which themselves embody the two key Kayapo values: 'beauty' (a kind of total, integrative harmony) and a less articulated value that Turner variously calls 'power' or 'dominance'. These forms of value are ultimately *produced* in the domestic sphere. However, they are *realised* primarily in the central, public space, especially through certain forms of public performance, by elders who are themselves 'elders' only because they are the peak of a domestic process of creating and socialising people that takes place just offstage, and which is carried out primarily by people other than themselves.

This might seem to resemble the kind of terms a Dumontian might have discovered, but framing it this way emphasises that the process of realisation of value involves some form of public recognition. But this is not to say that people are simply battling over prestige; instead, the range of people who are willing to recognise certain forms of value constitutes the extent of what an actor considers a 'society' to consist of. There are any number of directions in which this kind of approach could be developed, though it remains to be seen whether it can resolve the endless paradoxes and moral dilemmas which have dogged the study of material exchange from Aristotle and Augustine onwards.

Conclusion

The study of value, then, invariably takes us beyond what we normally refer to as 'economics', for it leads us into moral, aesthetic and symbolic territory

that is very hard to reduce to rational calculation and science. In the Western tradition, economics began as a series of questions about the morality of value; it could only claim the status of a science by trying to exorcise value completely. Anthropologists, on the other hand, have tended to see their special expertise as lying in precisely the areas that economics abandoned. However, it appears that anthropologists have only tried to develop explicit theories of value when they find themselves in a crisis brought about by their inability to understand how flesh-and-blood individuals are motivated to maintain and re-create the abstract systems that anthropologists have always been so good at discerning. Since the failure of Kluckhohn's 'values project' in the 1950s, this has usually led anthropologists to work with some variation of economic models, or with linguistic models in the structuralist tradition of de Saussure. I have suggested that there are other possibilities, especially one that treats Marx's analysis of value as a symbolic analysis and looks at 'value' as a way people's own actions become meaningful to them, how they take on importance by becoming incorporated into some larger system of meaning. We can only wait to see which, if any, of these many strands of value theory are most useful in the future.

Notes

1. 'But this one standard which truly measures all things is demand ... Articles are not valued according to the dignity of their nature, otherwise a mouse, an animal endowed with sense, should be of greater value than a pearl, a thing without life. But they are priced according as man stands in need of them for his own use' (*Sententia libri ethicorum* V, 9 cited in Langholm 1992: 229).
2. This is already very much implied by the notion that value was reflected in 'utility', which, after all, means not desirability but usefulness. That is, one values something for its ability to get one something else. What that something else is has already been pushed out of consideration. By the 1930s, with the 'ordinal revolution', economists discovered they could model consumer behaviour simply as a series of ranked preferences, which eliminated the need for even something as vague as utility.
3. In fact, one of the great problems for Marxist economists has always been figuring out precisely how the connection between values and prices is supposed to work, the famous 'transformation problem'.

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