

## Unit III-ECONOMIC ORGANIZATION

### MEANING, SCOPE AND RELEVANCE OF ECONOMIC ANTHROPOLOGY

Economic anthropology may be **regarded as a subfield of cultural anthropology pertaining to the study of human economic systems, across different cultures.** According to Ralph Piddington it aims

- 1) To gather info about economic human nature
- 2) To study the processes and results of economic contracts
- 3) To study Primitive society and economic institutions in their elementary form

In a nutshell, economic anthropology takes the best of economics and anthropology and creates a hybrid that allows for the investigation of economic behavior as it is lived and practiced.

- Economic Anthropology describes analyses and interprets the economic life of all people in their social-cultural contexts in all places at all times. It examines economic life as part of and as submerged in the total social-cultural order.
- In this context **Firth(1939) says that Economic Anthropology deals primarily with “the economics of social relatives”.**
- **Nash(1966) tells that economic anthropology analyses “economic life as a subsystem of society”.**
- **Beals and Hoijer (1971) says that Economic Anthropology studies the “the production of goods and services and their distribution and consumption as these, are institutionalized or formalized in socio-cultural subsystems”.**
- **Plattener (1989) also says that Economic Anthropology studies economic behaviour as thoroughly embedded in socio-cultural aspects.**

### SCOPE OF ECONOMIC ANTHROPOLOGY:

- The scope of economic anthropology is **vast**. However, during the period of its formation **between 1920 and 1950 its scope was restricted to the economic study of economic life of the primitives.**
- But its scope has widened as it was developed in the past several decades. **As such its coverage includes the study of economic life of primitives, peasants and modern societies.**
- Economic anthropology with its vast scope has apportioned its subject matter among several branches: *Anthropology of subsistence systems, Anthropology of economic history, Anthropology of primitive economies, anthropology of peasant economies, Anthropology of Urban economies, Anthropology of Entrepreneurship, Business Anthropology, Anthropology of Economic Holism and Anthropology of Economic Development.*
- Economic Anthropology **uses two approaches to the study of economic life of the primitive and peasant peoples. These approaches are: (i) Substantivism and (ii) Formalism.**

Substantivists	Formalists
<ul style="list-style-type: none"><li>• Malinowski (1922)</li><li>• Karl Polanyi (1957)</li><li>• George Dalton(1962)</li><li>• Cyril Belshaw (1962)</li><li>• Paul Bohannan (1963)</li><li>• Marshall Sahlins(1960)</li></ul>	<ul style="list-style-type: none"><li>• Raymond Firth (1929)</li><li>• Herskovits (1942)</li><li>• Burlings (1962)</li></ul>

### **RELEVANCE OF ECONOMIC ANTHROPOLOGY:**

- Economic anthropologists continue to focus their efforts on new issues and bring new perspectives to debates.
- They are **engaged with discussions of globalization, transnationalism, development, and economic institutions including the stock markets, multinational corporations, and health care.**
- Ecology, landscape, and environment also influence and guide economic anthropologists' studies as they try to define the complex ways in which our lives are intertwined with the world, we live in.
- Their interests and methods have shifted from categorizing economic behavior to looking at outcomes and processes that define economic space for individuals, communities, businesses, and social groups.
- They have also started to apply the tools of economic anthropology, tools forged in the analysis of rural, tribal peoples (those anthropological populations) to new and heretofore understudied settings—board rooms, stock markets, and the like.

### **ECONOMIC ORGANISATION**

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

### **TRADITIONAL ECONOMIC ORGANISATION**

**According to Hoebel and Weaver, "Economic organization involves the behaviors that center upon the production, the allocation and distribution, and the use and consumption of goods".** The above authors emphasize culturally defined behavioral networks that operate in various economic activities. Achieving some rhythm and order in the provision of material goods and services for the satisfaction of wants is essential for the survival and continuity of society. In almost all societies, economic organization exists in one form or the other. Simple societies have simple mode of production which include simple technology and most of the labor constitute family members or relatives. It varies from society to society. The mode of economic organization is very simple mostly embedded in direct face to face relationship. Each type of economic organization ensures some role to all members of the community by

means of creating some space in the pursuits related to economic activities. Every member has a purpose to participate in such organized activities.

- **Communal Ownership**

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

- **Division of Labor**

Most economic activities, and for that matter any physical activity of some purpose (be it cooking, child rearing ritual etc.), are accomplished by sharing work between a group of workers or participants. **Division of labor is a form of “customary assignment of different kinds of work to different kinds of people”.** Universally men and women, adults and children do not engage in same kinds of work. In our society, it is usual for the man to plough and woman to engage in cooking. Adults perform arduous works whereas children do lightworks. **Division of labor based on age and sex is universal though there is variation across cultures.** Further, it must be remembered that **as the societies modernize, role reversals and complex specializations emerge.** In simple society, the division of labor is based on certain factors like sex, age, etc. Men and women carry out different types of jobs. In certain activities, men and women perform the same activities without any division of labor. Though women folk observe certain taboos during times such as menstruation and childbirth, etc., they do not take part in the day to day chores, as during such times they are considered impure.

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

- **Major Economic Activities**

he tribal societies practice various types of economic activities, it must be remembered that each tribe may pursue a major economic activity supplemented by other types of economic activities. The following account gives a brief description of each of the major economic activity.

- ♦ **Hunting-Gathering**
- ♦ **Horticulturalists**
- ♦ **Shifting Cultivation**
- ♦ **Pastoralism**
- ♦ **Settled Agriculture**

## **KEY COMPONENTS OF AN ECONOMIC SYSTEM**

- Production
- Distribution
- Consumption

## **PRODUCTION**

**Production refers to the process by which human beings transform, through their work, matter or natural resources into some goods, which is consumable or capable of being used to satisfy their need or want.**

We would now be looking into the various modes of production ranging from the 'simple'- hunting, gathering and fishing, where human beings occupy and wrest from nature their sustenance without transforming it, to the more complex such as animal husbandry and followed by cultivation, which involves the transformation of nature. In the evolutionary scheme of society, cultivation and animal husbandry invariably appear after hunting, gathering and fishing. Production, for the purpose of simple societies, may be basically studied under the two heads: **FOOD COLLECTION AND FOOD PRODUCTION.**

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

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

### **1. Horticulture**

The term 'horticulture', denotes a simple food production strategy involving the

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

## 2. Pastoralism

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

## 3. Intensive Agriculture

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

## DISTRIBUTION AND EXCHANGE

Distribution and exchange have consistently remained the central focus of anthropologists interested in the study of economic systems and their working in society. While being closely related concepts, the main point of distinction between the two is that while distribution determines the proportion of total output that the individual will receive, exchange determines the specific products into which the individual wants to convert the share allocated to him by distribution. He further opines that **distribution implies a reward system in which produce is channeled out among individuals or groups by reason of their control over the factors of production or for the labor they expended in the productive process.**



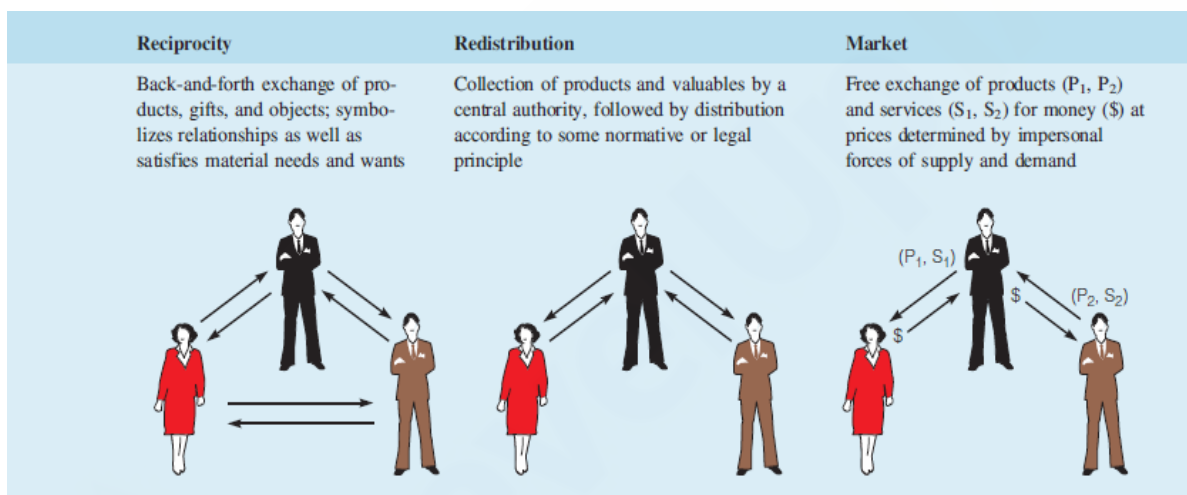
**Exchange**, on the other hand, refers to the various processes by which goods (and services) move or are being transferred between individuals or groups, as, for example, between producer and consumer, buyer and seller, donor and recipient.

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

**Reciprocity**, in which individuals or groups pass products back and forth, with the aim of helping someone in need by sharing with him or her; creating, maintaining, or strengthening social relationships; or obtaining products made by others for oneself

**Redistribution**, in which the members of an organized group contribute products or money to a common pool or fund that is divided (reallocated) among the group as a whole by a central authority

**Market**, in which products are sold for money, which in turn is used to purchase other products, with the ultimate goal of acquiring more money or accumulating more products or both



**Significant understanding on exchange and the motives for it came from Malinowski's work on trade and gift giving among the Trobriand Islanders and Mauss's classic essay *The Gift* published in 1922.** Malinowski studied the ceremonial exchange system- the *Kula* ring spread over eighteen island communities of the Massim archipelago, including the Trobriand Islands and involved thousands of individuals. Members of the *Kula* ring travelled long distances by canoe to exchange Kula items – red shell-disc necklaces (*soulava*) traded to the north in clockwise direction and white shell armbands (*mwali*) traded in the southern or counter clockwise direction. If the opening gift was an armshell, then the closing gift must be a necklace and vice versa. Malinowski came to the conclusion that exchange among Trobrianders was better seen as a social act than a transmission of useable objects. Exchange, in his view, did not result in economic gain; quite the contrary, it represented a superiority of the giver over the receiver and placed a burden upon the receiver economy, almost all societies of the world are coming within its ambit.

## Reciprocity

Reciprocity is an exchange transaction that involves direct movement of the goods and services between two parties. Reciprocity is sometimes viewed as simply a process of balancing values, a one for one exchange. Various kinds of exchange are included in term reciprocity.

Reciprocity consists of giving and taking goods and services in a social medium without the use of money, which ranges from pure gift giving to equal exchange to cheating or deceitful.

**Marshall Sahlins** has pointed out that these can be arranged on a continuum according to degree of balance involved. At one end of continuum is **general reciprocity** in which the goods, service or assistance is freely given in kind to friends or neighbours without anything expected in return. In the middle of the continuum is **balanced reciprocity** (the exchange with the expectation of return that involves a straightforward immediate or limited-time span) and **negative reciprocity** (an attempt to take advantage of another or something for nothing).

a) **Generalized reciprocity**, involving **unstipulated reciprocation**, is gift giving **without consideration of any immediate or planned return**. In such a case, the **value of the gift is not calculated and the time of repayment not specified**. Such type of reciprocity generally occurs only among close kin or people sharing close emotional bonds such as between parents and children, between siblings, close friends etc.

For example, most hunter-gatherers expect their band mates to share food and be generous with their possessions, partly because most members of a band are relatives of some kind.

b) **Balanced or Symmetrical reciprocity** occurs when **someone gives to someone else, expecting a fair and tangible return - at a specified amount, time, and place**. Here, the exchange occurs owing to the desire or need for certain objects. **Giving, receiving and sharing constitute a form of social security and it promotes an egalitarian distribution of wealth over the long run**. While generally practiced among equals who are not closely related, balanced reciprocity principles may also be evident in gift giving among kin. To cite a particular example, among relatives in many parts of India, it is common practice for kin to give valuable items and even monetary contribution when a relative's daughter is being married off. The implicit expectation being that when their own daughter is married off, similar contributions could be expected from the receivers. While balanced reciprocity generally operates on egalitarian principles, it could also take on a competitive form. Normally, it might be a means for villagers to 'bank' surplus food by storing up 'social credit' with fellow villagers by giving feasts, with the expectation that the credit will be returned. But affluent villagers might use this mechanism to enhance their social status by throwing lavish feasts and giving costly gifts. A classic example of balanced reciprocity is that of **Kula ring exchange**.

In the Trobriand Islands off the eastern tip of the island of New Guinea, there was a form of balanced reciprocity called **Wasi**. Residents of coastal villages traded fish for yams and other garden crops produced in the mountainous interior. The exchange was formalized: a coastal village paired off with an interior village, and within each village individuals formed trade partnerships. The rates at which garden produce was exchanged for fish were established by custom, so there was no haggling at any particular transaction.

Among some peoples, balanced reciprocity takes the form of mutual exchanges of gifts or invitations for political purposes. For example, balanced reciprocity creates and sustains political alliances, we turn to the Maring, a horticultural people of the mountainous interior of Papua New Guinea through Pig Feast (**Roy Rappaport**).

One classic ethnographic example of balanced reciprocity between trading partners seeking to be friends and do business at the same time is the **Kula ring** in the southwestern Pacific Ocean. This practice was first described by Bronislaw Malinowski and involves thousands of seafarers going to great lengths to establish and maintain good trade relations; this centuries-old ceremonial exchange system continues to this day.

Kula participants are men of influence who travel to islands within the Trobriand ring to exchange prestige items—red shell necklaces (*soulava*), which are circulated around the ring of islands in a clockwise direction, and white shell armbands (*mwali*), which are carried in the opposite direction. Each man in the Kula is linked to partners on the islands that neighbour his own.

To a partner residing on an island in the clockwise direction, he offers a *soulava* and receives in return a *mwali*. He makes the reverse exchange of a *mwali* for a *soulava* to a partner living in the counter-clockwise direction. Each of these trade partners eventually passes the object on to a Kula partner further along the chain of islands.

Traditionally, men make their Kula journeys in elaborately carved dugout canoes, sailing and paddling these boats, which are 6 to 7.5 meters (20 to 25 feet) long, across open waters to shores some 100 kilometres (about 60 miles) or more away. The adventure is often dangerous and may take men away from their homes for several weeks, sometimes even months. Although men on Kula voyages may use the opportunity to trade for practical goods, acquiring such goods is not always the reason for these voyages—nor is Kula exchange a necessary part of regular trade expeditions.

Perhaps the best way to view the Kula is as an indigenous insurance policy in an economy fraught with danger and uncertainty. It establishes and reinforces social partnerships among traders doing business on distant shores, ensuring a welcome reception from people who have similar vested interests. This ceremonial exchange network does more than simply enhance the trade of foods and other goods essential for survival. Melanesians participating in the Kula ring have no doubt that their social position has to do with the company they keep, the circles in which they move. They derive their social prestige from the reputations of their partners and the valuables that they circulate. By giving and receiving armbands and necklaces that accumulate the histories of their travels and the names of those who have possessed them, men proclaim their individual fame and talent, gaining considerable influence for themselves in the process.

Like other forms of currency, *soulava* and *mwali* must flow from hand to hand; once they stop flowing, they may lose their value. A man who takes these valuables out of their inter-island circuit invites criticism. Not only might he lose prestige or social capital as a man of influence, but he might become a target of sorcery for unravelling the cultural fabric that holds the islands together as a functioning social and economic order.



As this example from the South Pacific illustrates, the potential tension among trading partners may be resolved or lessened by participation in a ritual of balanced reciprocity. As an elaborate complex of ceremony, political relationships, economic exchange, travel, magic, and social integration, the Kula ring illustrates the inseparability of economic matters from the rest of culture. Although perhaps difficult to recognize, this is just as true in modern industrial societies as it is in traditional Trobriand society— as is evident when heads of state engage in ceremonial gift exchanges at official visits.

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

**SILENT TRADE** also called dumb barter, or depot trade, specialized form of barter in which goods are exchanged without any direct contact between the traders. Generally, one group goes to a customary spot, deposits the goods to be traded, and withdraws, sometimes giving a signal such as a call or a gong stroke. Another group then comes to leave a second set of articles and retreats. The first group returns, removing these new goods if satisfied or leaving them until additions are made. The second group then takes the original wares to conclude the transaction.

Such cases have often characterized the dealings between food- foraging peoples and their food-producing neighbours—such as the Vedda of Sri Lanka's tropical forest, who traditionally offer wild honey to Sinhalese in exchange for metal tools.

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

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

## Redistribution

Redistribution is a pooling transaction in which the goods are collected from the members of a group by a central authority and then divided among the members of the group. Redistribution refers to a kind of economic exchange **characterized by the accumulation of goods (or labor), with the objective of subsequent distribution within a social group according to culturally-specific principles. Social organization of reciprocity and redistribution is different. Redistribution is a collective action among several parties, whereas reciprocity is the action and reaction of 2 parties. Redistribution requires a social center and for this reason redistribution is associated with groups headed by a central authority, such as chief.** While, redistribution exists in all societies within the family where labor or products or income are pooled for the common good, it emerges as an important mechanism in societies with political hierarchies. In the latter, it requires a centralized political mechanism to coordinate the collection and distribution of goods. While it serves as a mechanism for dispensing goods within a society, it could also be a means for a chief to consolidate his political power and gain in prestige. This seems to be an objective of the **potlatch** where chiefs compete with each other to give away and destroy goods of value. In less centralized societies that do not have formal chiefs, the economic entrepreneur or the 'big man' may carry out such acts. In modern market economies, redistribution takes place through taxation by the state, whereby resources are allocated back to individuals or groups within society, either through the provision of public services or directly through welfare benefits.

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

A **potlatch** is a ceremonial event in which a village chief publicly gives away stockpiled food and other goods that signify wealth. (The term comes from the Chinook Indian word *patshatl*, which means "gift.") Traditionally, a chief whose village had built up enough surplus to host such a feast for other villages in the region would give away large piles of sea otter furs, dried salmon, blankets, and other valuables while making boastful speeches about his generosity, greatness, and glorious ancestors. While other chiefs became indebted to him, he reaped the glory of successful and generous leadership and saw his prestige rise. In the future, his own village might face shortages, and he would find himself on the receiving end of a potlatch. Should that happen, he would have to listen to the self-serving and pompous speeches of rival chiefs. Obligated to receive, he would temporarily lose prestige and status.

In extreme displays of wealth, chiefs even destroyed some of their precious possessions. This occurred with some frequency in the second half of the 19th century, after European contact triggered a process of cultural change that included new trade wealth. Outsiders

might view such grandiose displays as wasteful in the extreme. However, these extravagant giveaway ceremonies have played an ecologically adaptive role in a coastal region where villages alternately faced periods of scarcity and abundance and relied upon alliances and trade relations with one another for long-term survival. The potlatch provided a ceremonial opportunity to strategically redistribute surplus food and goods among allied villages in response to periodic fluctuations in fortune.

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

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

## Market/Market Exchange

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

### It requires four things:

1. Some object that serves as a medium of exchange— that is, money
2. A rate at which particular goods and services exchange for money—that is, prices
3. The prices are determined by supply and demand
4. Most property is privately owned

## UTILIZATION OR CONSUMPTION

The third component of the economic system following from production, distribution and exchange is utilization or consumption. *Consumption* has two meanings: First, it is a person's "intake" in terms of eating or other ways of using things; second, it is "output" in terms of spending or using resources to obtain those things. Thus, for example, "intake" is eating a

sandwich; “output” is spending money at the store to buy a sandwich. Both activities fit within the term “consumption.”

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

- **Minimalism** : a mode of consumption characterized by few and finite consumer demands and an adequate and sustainable means to achieve them. It is most characteristic of free-ranging foragers but is also found to some degree among horticulturalists and pastoralists.
- **Consumerism** : a mode of consumption in which people’s demands are many and infinite, and the means of satisfying them are never sufficient, thus driving colonialism, globalization, and other forms of expansionism. Consumerism is the distinguishing feature of industrial/informatics cultures. Globalization is spreading consumerism throughout the world.

Foraging	Horticulture	Pastoralism	Agriculture	Industrialism/Informatics
<u>Mode of Consumption</u>				<u>Mode of Consumption</u>
Minimalism				Consumerism
Finite needs				Infinite needs
<u>Social Organization of Consumption</u>				<u>Social Organization of Consumption</u>
Equality/sharing				Class-based inequality
Personalized products are consumed				Depersonalized products are consumed
<u>Primary Budgetary Fund</u>				<u>Primary Budgetary Fund</u>
Basic needs				Rent/taxes, luxuries
<u>Mode of Exchange</u>				<u>Mode of Exchange</u>
Balanced exchange				Market exchange
<u>Social Organization of Exchange</u>				<u>Social Organization of Exchange</u>
Small groups, face-to-face				Anonymous market transactions
<u>Primary Category of Exchange</u>				<u>Primary Category of Exchange</u>
The gift				The sale

Modes of Livelihood, Consumption, and Exchange.

## MAJOR ECONOMIC ACTIVITIES:

1. Hunting and gathering
2. Pastoralism
3. Horticulture
4. Agriculture

Foraging	Horticulture	Pastoralism	Agriculture	Industrialism/Informatics
Reason for Production				Reason for Production
Production for use				Production for profit
Division of Labor				Division of Labor
Family-based				Class-based
Overlapping gender roles			High degree of occupational specialization	
Property Relations				Property Relations
Egalitarian and collective				Stratified and private
Resource Use				Resource Use
Extensive and temporary				Intensive and expanding
Sustainability				Sustainability
High degree				Low degree

Modes of Livelihood.

## 1. HUNTING AND GATHERING:

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

**DISTRIBUTION:** Today the tribal society with food gathering economy include only 2,50,000 people in a world population of about 7 billion.

They live in the world's marginal areas namely frozen arctic tundra, deserts and dense tropical forests. Food gatherers have generally been exposed to more technologically 'advanced' societies.

### EXAMPLES:

- In Africa- Pygmies, Pygmoid tribes
- In Asia- scattered over India, Malaya Islands, Andaman Islands, Chenchu, Peliya, Irula, Panyan, Chenchu, Kadars in South India.
- Australia- South East tribes such as Kariara, Kulin living on edge of Gibson desert.
- In South America- Sirocco of Bolivia
- In North America- Ojibwa, Eskimo of Canada, etc.



### CHARACTERISTICS:

- Food gathering economy is **characterized by nomadism and semi nomadism** because activities in search of food and water in different parts of forest, desert or tundra often necessitate several wandering and seasonal moves.
- Supports **lowest population density**.
- **Small sized self-sufficient local groups**. Local group is a self-sufficient economic unit. It is invariably a small nomadic band or semi nomadic settlement in which 25 to 30 individuals are clustered.
- It is characterized by **simple economic resources namely technology, division of labor, land ownership and capital**.
  - a. Characterized by **simple technology**. The tools and instruments used for collecting the plants and for killing the animals are few. Digging stick and collection basket are used for collecting food from the forest. Special baskets may be used for collecting honey. Several types of containers such as bags, nets and baskets are also used for collecting seeds and nuts.
  - b. **Division of labor runs on simple lines**. Full time craft specialization is absent. In face there is no individual, group or regional specialization. The main division of labor is between sexes. In many societies' men engage themselves in hunting. Women often participate in gathering, digging for roots and tubers.
  - c. **Land ownership is practices according to specific rules**. Hunters and gatherers determine who can hunt and gather and where. Collecting areas and hunting zones of the different local groups within the tribal society are marked out by convention. They are properties of group not individual.
  - d. **Capital in food gathering society is very limited**. The capital consists of few and simple tools because of the need for nomadic or semi nomadic life.
- Food gathering economy is often characterized by **plenty of food and rarely characterized by food shortage**. Wild fruits, tubers, eggs of many birds, animals are part of their diet.
- Food gathering economy is often characterized by **absence of surplus and trade**. One remarkable feature of food gathering economy is that the tribes have no surplus or rarely have little surplus left with them after satisfying their needs, which they could use for barter, exchange, or trade. '**Forest to mouth existence**'
- It **favors informal political leadership**. The general tone of sociopolitical organization is almost always democratic.

## 2. PASTORALISM

Historically, pastoral economy come into existence at about the same time when horticultural and agricultural economies come into existence in the old world. In fact, animals were first domesticated about the same time plants were cultivated and two practices typically went hand in hand in the horticultural and agricultural societies of the old world. Crops could not be cultivated because of insufficient rainfall the shortness of the growing season, or the mountainous character of terrain.

**Pastoralism** is a mode of livelihood based on domesticated animal herds and the use of their products, such as meat and milk, for 50 percent or more of the diet. Pastoralism has long existed in the Middle East, Africa, Europe, and Central Asia, especially where rainfall is limited

and unpredictable. Worldwide, the six major species of herd animals are sheep, goats, cattle, horses, donkeys, and camels. Three others have more restricted distribution: yaks at high altitudes in Asia, reindeer in northern sub-Arctic regions, and llamas in highland South America. Many pastoralists keep dogs for protection and for help with herding.

In terms of food, pastoralism provides primarily milk and milk products, with occasional slaughtering of animals for meat. Thus, pastoralists typically form trade links with foragers, horticulturalists, or farmers in order to obtain food and other goods that they cannot produce themselves. Prominent trade items are food grains and manufactured items, such as cooking pots, for which they offer milk, animals, hides, and other animal products.

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

#### EXAMPLES:

- European Arctic and Finland and the Chuckchee of Russian Siberia.
- African Tribes like Nuer, Dinka and Masai.
- Bhakarwal, Gaddi, Todas of India

#### CHARACTERISTICS:

- Characterized by **Nomadism, Semi Nomadism, and sedentariness**. As groups move from place to place in response to their animal needs, they are nomads. They are seasonally nomads.
- **Low population density**.
- **Small size communities**. Given limited resources of their territories, large and dense settlements are impossible.
- Pastoral economy includes moderate economic resources.
  1. Technology includes several tools, utensils and containers, besides numerous techniques of stock raising. Plates, buckets, milking, bags, sacks, etc. Wooden and metal bells, leather straps are also used.
  2. **Land ownership is governed by specific rules** to determine who have rights to watering places and grazing lands.
  3. **Division of labor is based on age, sex and specialization**. The basic economic activity in pastoral societies is man's work. Men herd the animals, milk them, sometimes tap blood from them. Women attend to preparation of curd, butter, cheese. Some men may specialize in branding animal, some trimming the horns, etc.
  4. The most important forms of property among pastoralists are, by far, animals, followed by housing (such as tents or yurts) and domestic goods (rugs and cooking ware). Depending on the group, ownership of animals is inherited through males, most commonly, or, less frequently, through females, as among the Navajo.
- Pastoral economy is **characterized by plenty of food and frequent food shortages**. Pastoralists are often partially dependent on plant foods grown by their agricultural neighbors.

- Pastoral economy is **characterized by some surplus and trade**. In the form of meat and dairy products, wool, hide, woolen blankets, carpets, etc.
- **Favor's part time and full-time political leadership**. Raiding and warfare are frequent activities, and this stimulates the growth of political authority.

### **3. HORTICULTURALISTS**

10000 years ago, inhabitants of the Middle East discovered that plants grow from seeds and applied this new insight to humanity's perennial problem of obtaining food. In facts, this discovery was made by women, not men. Tribal societies following horticultural economy are now distributed in 4 parts of the world. The islands of Pacific, Southern Asia, Africa below Sahara, New World. Number runs into million.

**Horticulture** is a mode of livelihood based on cultivating domesticated plants in gardens using hand tools. Garden crops are often supplemented by foraging and by trading with pastoralists for animal products. Horticulture is still practiced by many thousands of people throughout the world. Prominent horticultural regions are found in sub-Saharan Africa, South Asia, Southeast Asia and the Pacific, Central America, South America, and the Caribbean islands. Major horticultural crops include yams, corn, beans, grains such as millet and sorghum, and several types of roots, all of which are rich in protein, minerals, and vitamins.

#### **EXAMPLES:**

Hopi, Zuni Red Indians in North America

Yanomami in South America

In India: Muria, Gond, Rengma, Naga, Ao, Naga Abor

#### **CHARACTERISTICS:**

- Horticultural economy- **sedentary. permanent settlement**- move only after exhaustion of soil.
- **Moderate population density.**
- **Small and moderate size self-sufficient groups.**
- Simple and moderate economic resources.
  1. Technology includes **simple hand tools and simple methods of farming**. Small amounts of land are worked at one time mostly with hand tools like digging stick, hoe, or spade. Horticulture involves the use of handheld tools, such as digging sticks, hoes, and carrying baskets. Rain is the sole source of moisture. Horticulture requires rotation of garden plots in order for them to regenerate. Thus, another term for horticulture is *shifting cultivation*. Average plot sizes are less than 1 acre, and 2.5 acres can support a family of five to eight members for a year. Yields can support semi-permanent.
  2. **Division of labor is on age, sex, and some specialization**. Women's contribution to subsistence activities is greater than that of men in horticultural societies. Two unusual horticultural cases involve extremes in terms of gender roles and status. The first is the pre-contact Iroquois of central New York State, that is, before the arrival of Europeans (Brown 1975). Iroquois women cultivated maize, the most

important food crop, and they controlled its distribution. This control meant that they were able to decide whether the men would go to war, because a war effort depended on the supply of maize to support it. A contrasting example is that of the Yanomami of the Venezuelan Amazon (Chagnon 1992). Yanomami men clear the fields and tend and harvest the crops. They also do much of the cooking for ritual feasts. Yanomami women, though, are not idle. They play an important role in providing the staple food that comes from manioc, a starchy root crop that requires substantial processing work—it has to be soaked for a long time to remove toxins and then scraped into a mealy consistency. Among the Yanomami, however, men are the dominant decision makers and have more social power than Yanomami women do.

3. Children work more in horticultural societies than in any other mode of livelihood (Whiting and Whiting 1975). The Six Cultures Study is a research project that examined children's behavior in horticultural, farming, and industrial settings.
4. Private property is not characteristic of horticultural societies. Use rights are typically important, although they are more clearly defined and formalized than among foragers. By clearing and planting an area of land, a family puts a claim on it and its crops. The production of surplus goods allows the possibility of social inequality in access to goods and resources. Rules about sharing within the larger group decline in importance as some people gain higher status.
5. Horticultural economy is **characterized by plenty of food and infrequent food shortages**.
  - Favors some **part time political leadership**. Some persons may be part time craftsmen or part time political officials; certain members of a kin group such as lineage heads, tribal chiefs, shamans, and priests may have more status than others in society.

#### **SHIFTING CULTIVATION (One form of Horticulture)**

##### **DISTRIBUTION:**

The beginning of shifting cultivation goes back to the Neolithic times i.e. 8,000-10,000 years ago. Shifting cultivation is prevalent in many parts of the world, especially Sumatra, North Burma, Borneo, New Guinea, and in many parts of the African continent. Shifting cultivation is also referred to as slash-and burn or swidden cultivation. In India, shifting cultivation is known by different names in tribal regions. In North East India, it is denoted as jhum, in Orissa as podu, dabi, koman or bringa, in Bastar as deppa, in Western Ghats as kumari, in South East Rajasthan – the Matra and Maria tribal groups call it penda, in Madhya Pradesh as bewar or dahia.

##### **CHARACTERISTICS:**

Shifting cultivation is an **age-old socio-economic practice among many tribal communities** inhabiting the world. It is a distinct type of agricultural practice **generally practiced on the hill slopes**. Since the days of early civilization several groups of tribal communities in India are practicing this method of cultivation as their primary source of subsistence. This process resulted in a new socio-economic situation for the Neolithic people when they shifted from

nomadic way of living to settled way of life. These groups tried to emerge as food producers from food gathering stage. Shifting cultivation is considered as the natural way of eking out livelihood by some tribal groups. In fact, **it is considered as a traditional technique of farming adopted by different tribal communities in many parts of the Indian Sub-Continent.**

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

#### **4. SETTLED AGRICULTURE**

##### **DISTRIBUTION:**

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

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

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



**EXAMPLE:**

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

**CHARACTERISTICS:**

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

**The Cultivation Continuum**

Because nonindustrial economies can have features of both horticulture and agriculture, it is useful to discuss cultivators as being arranged along a **cultivation continuum**. Horticultural systems stand at one end—the “low-labour, shifting plot” end. Agriculturalists are at the other—the “labour-intensive, permanent-plot” end. We speak of a continuum because there are today intermediate economies, combining horticultural and agricultural features—more intensive than annually shifting horticulture but less intensive than agriculture. Unlike non-intensive horticulturalists, who farm a plot just once before fallowing it, the South American Kuikuru grow two or three crops of *manioc*, or cassava—an edible tuber—before abandoning their plots.

Cultivation is even more intense in certain densely populated areas of Papua New Guinea, where plots are planted for two or three years, allowed to rest for three to five years, and then re-cultivated. After several of these cycles, the plots are abandoned for a longer fallow period. Such a pattern is called *sectorial fallowing* (Wolf 1966). Besides Papua New Guinea, such systems occur in places as distant as West Africa and highland Mexico. Sectorial fallowing is associated with denser populations than is simple horticulture.

The key difference between horticulture and agriculture is that horticulture always uses a fallow period whereas agriculture does not. The earliest cultivators in the Middle East and in Mexico were rainfall-dependent horticulturalists. Until recently, horticulture was the main form of cultivation in several areas, including parts of Africa, Southeast Asia, the Pacific islands, Mexico, Central America, and the South American tropical forest.

Concept review		MAJOR FORMS OF PREINDUSTRIAL ADAPTATIONS AND THEIR CULTURAL CONSEQUENCES		
Form of Adaptation	Food Acquired by Means of	Basic Organization of Communities	Rights to Resources	Internal Differentiation
Hunting/Gathering	Collection/gathering of wild plants; hunting of animals; sometimes fishing	Small, mobile bands of 10–50, usually varying seasonally	Flexible access to resources over large territories	Division of labor based on sex and age; equality based on sharing
Horticulture	Cultivation of crops using hand tools and mainly human muscle power	Scattered hamlets or villages of 100 or more, largely but variably sedentary	Ownership of land and productive resources by kin groups and/or residential groups	Variable differentiation, but little specialization and inequality
Intensive Agriculture	Cultivation of crops with animal-powered plows or other means of using land intensively	Central administrative places, with cities and towns surrounded by rural “peasant” communities	Rights vested in or controlled by multilevel administrative officials responsible to the “state”	Craft and service specialization with social distinctions and major inequalities
Pastoralism	Tending of livestock that provide products (meat, milk, hides, wool) to eat, trade, and sell	Seasonally nomadic living units of varying size and composition	Grazing rights based on membership in families, kin groups, or the tribe itself	Variably complex differentiation based on age, sex, and often hereditary distinctions