Whatever happened to economic anthropology?¹

Chris Gregory

Archaeology and Anthropology, Faculty of Arts, Australian National University

In the 1970s, economic anthropology, along with kinship and ecological anthropology, was regarded as a core discipline in the teaching of anthropology. The centrality of all these subjects was reflected in the debates of the time. For economic anthropology, understanding the articulation of modes of production was the problem; the holy trinity—tribe, peasant, capitalist—provided the key terms of the debate. These terms, and this problem, are history. The discipline of anthropology has been de-cored over the past 30 years: economic anthropology, kinship and ecological anthropology are not even on the agenda in many universities today (ANU included). This presents us with a paradox because these academic trends are in inverse proportion to the importance of contemporary developments in the economy, the family and ecology as global problems facing humanity. This paradox must be addressed not by arguing for a rehabilitation of the core subjects of the 1970s—those days are long gone—but by taking a critical look at the implicit theories of value that inform anthropological thinking about the economy, the family and ecology today. I shall argue that, along with neoliberalism, ‘agency’ has been the key term of the new paradigm that emerged in the 1970s, that this paradigm is about to become history and that new ways of thinking about the economy will have to emerge as we all become victims of the ‘financialisation’ of Europe, the industrialisation of Asia and the desiccation of Australia.

INTRODUCTION

When the history of twentieth-century economic thought comes to be written, the contribution of anthropologists to our understanding of the idea of the economy will, I believe, stand out as something truly significant. I refer to that tradition which begins, ethnographically speaking, with the pioneering research of Malinowski and Firth and, theoretically speaking, with the work of Mauss, Polanyi and Sahlins. Indeed, it was this tradition of thought that attracted me to anthropology from economics in the 1970s. Economic anthropology was where the action was then. It was an exciting time of sparkling debates as scholars from different ethnographic regions were united in a common theoretical goal of understanding the present by critiquing ideas from the past.

How things have changed! How fast they changed! No sooner had I got my job here at ANU in 1983 than the debates of the 1970s were seen as ancient history and new agendas were being proposed. In 1983, an anthropology major involved four

core subjects in the classic tradition of British Social Anthropology. These included kinship, religion and ritual, political and economic anthropology. By the 1990s this 'core' was no more—a change that has occurred in universities everywhere. As for ecological anthropology, the thriving sub-discipline in the 1960s, this was on the decline in the fashion stakes even before economy and kinship.

While that post-war tradition is now long gone—and rightly so I should add—it is of interest to me that the question of the economy is now back on the agenda. This is the third international conference on the economy I have addressed in the past eighteen months, a remarkable fact given that nothing of this kind has happened for thirty years. This has caused me to ponder the question of whatever happened to 1970s' economic anthropology and what is happening today. Understanding the present is a notoriously difficult task. It is relatively easy to look back over the past century and see what the main trends have been. It is also easy to look ahead and to develop a doom-and-gloom scenario of the future, but the present is much harder to grasp because, like goldfish in a bowl, the water we swim in is the last thing we know about. It is, then, with some trepidation, that I approach the question of whatever has happened to economic anthropology.

My argument, in brief, is not that interest in the economy has died out in anthropology since the 1980s, but that a new idea of the economy was smuggled into the discussion under a new label. A new paradigm emerged in the 1980s that negated the pre-1970s tradition. As someone who has been 'negated' many times by this new paradigm, I believe that I am in a unique position to be able to define it. It is not my intention to develop a critique of this new paradigm of the economy. My aim is simply to identify it before it, too, disappears from the radar. The imminent fall of this paradigm will come about for the same reason that all intellectual fashions come and go. This has nothing to do with the relentless progress of the scientific method but because of the fact that political and economic changes in the wider world pose new questions that render old paradigms obsolete. Anthropological ideas about the economy, religion and ecology do not lead the agenda but follow in the wake of bigger changes set in motion by the imperial powers. Anthropological theories are not a simple reflection of these underlying political forces but, like all theories, lag behind the times. I say this with some seriousness because, as I have said before, understanding the present is notoriously difficult. From my perspective, the anthropological approaches to the economy fall into three phases: pre-1970s, the 1970s and post-1970s. I had the misfortune to come of academic age in the 1970s and to contribute to a paradigm that was over before it began. But before I tell you why, let me begin with a quick sketch of the defining characteristics of the paradigm that we in the class of the 1970s sought to deny.

EXCHANGE AND RECIPROCITY

The dominant paradigm in economic anthropology in the pre-1970 era was that lineage of thought defined by Mauss (1925), Polanyi (1944), Lévi-Strauss (1949)

and Sahlins (1972), among others. These thinkers synthesised the pioneering work of ethnographers such as Malinowski (1922) and Firth (1929, 1939) to define a paradigm that shared a common theoretical language. The keyword of this paradigm was *reciprocity* and the theories these scholars developed were specific variations on the general theme of *exchange*. What united them was their opposition to the notion of 'natural economy', an idea found in Aristotle's writing on the economy and developed by Adam Smith (1776), the father of Political Economy and also of the labour theory of value.²

The concept of 'reciprocity' was an answer to Mauss' question about the obligation to repay to a gift. The word itself gains popular currency with the theories of Polanyi and Lévi-Strauss, but it is in Sahlins's (1972) that the theory of reciprocity reaches its highest point. Adam Smith's 'natural economy' is found to be governed by the cultural principles of positive reciprocity. Negative reciprocity, the unsociable extreme, is the world of the market, capitalism and all things 'bad'.³ With this negation of the idea of natural economy, the reciprocity paradigm reaches its zenith and now itself becomes something to be negated.

PRODUCTION AND ARTICULATION

Sahlins's book was published in 1972 but several of its essays were published in the 1960s, the decade when demonstrations against the Vietnam War were at their highest. The economic and ideological consequences of the Vietnam War were profound. It was the most expensive war in human history and there is a sense in which we are still paying for it. It shaped the financial superstructure of the global economy in the post-1970 era and unleashed the ideology of neoliberalism. As I have devoted a chapter of my book *Savage Money* (Gregory 1997, ch. 8) to this question let me briefly summarise my argument here.

Measured in terms of tonnes of gold, the cost of the war was around 300,000 tonnes. The United States of America paid for this by running down its stocks in Fort Knox. However, it was these very stocks of gold that formed the basis of the dollar-gold standard of fixed exchange rates. The United States paid for the war by the time-honoured method of debasing the currency. This happened on 15 August 1971 when Nixon was forced to break the US promise to exchange gold for dollars at the fixed rate of US\$35 per ounce. Gold prices soared, which meant that gold-holding developed countries gained and dollar-holding poor countries lost, thus bringing about a massive redistribution of wealth on a scale never known before, but one which passed largely unnoticed. The era of flexible exchange rates began on this day and so did trade in the buying and selling of state-issued money. In other words, state-issued paper emerged as a global commodity for the first time in economic history. This was a massive victory for the free-market ideas of Milton Friedman and a massive defeat for the welfare-state ideas of Maynard Keynes. Thatcher and Reagan, both Friedmanite disciples, were elected in 1979 and 1981, respectively and the rest, as they say, is history.

The impact of these changes on anthropological thought is yet to be assessed but the legacy is there for all to see. As the distinguished philosopher Feyerabend (1978: 155) famously put it in a 1978 article entitled 'Marxist Fairytales from Australia', 'Sydney has but one opera house, one arts centre, one zoo, one harbour, but two philosophy departments'. He was referring to the University of Sydney but what he did not notice was that it also had two Economics departments and one Anthropology department that was split into two over the question of the funding of the Tribal Research Centre in Northern Thailand, which some people believed was a CIA-funded outfit to collect intelligence on counter-insurgency activities in the highlands of Thailand. Although the truth or falsity of these claims is beyond the point of this talk, what is beyond dispute is that the 1960s and 1970s were a period of profound disruption both institutionally and intellectually.

This was the background to the rejection of the reciprocity paradigm in economic anthropology. The keyword of the new paradigm was *articulation*. Theories of articulation that developed were within a Marxist-inspired conceptual framework that gave primacy to *production* over *exchange*. What the articulationist opposed was the denial of coequality that the reciprocity paradigm assumed.⁴ 'What is Sahlins up to?' we asked. 'He is bravely putting his body on the line in the streets of Chicago demonstrating against US imperialism in Vietnam, but his head is in a pre-imperialist era'. Anthropology of this kind was seen not only as the child of imperialism,⁵ but a century behind the times in that it did not problematise the fact of European economic conquest in Africa, Asia and the Pacific. The new problem was to understand the articulation of the modes of production, and the holy trinity—Tribe, Peasant, Capitalism—were the conceptual tools we used to understand exploitation, unequal exchange and conflict.

This paradigm was still-born. It was over before it started but it is only with the benefit of hindsight that I can see this. The beginning of the end of this paradigm was on 23 April 1975⁶ when Ford announced the pullout of troops from Vietnam, but its last gasps took another fifteen years.

CONSUMPTION AND AGENCY

The end of the Vietnam War era marked the end of the Age of Aquarius; young revolutionaries of that era found themselves out of work as they had nothing to oppose. Some old lefties⁷ found that the meaning of life lay in negating what they previously stood for; meanwhile, those in the academy took different paths and defined yet another paradigm. Some call it 'post-modernism', but I think that this label is an empty swear word, a distracting red herring that leads us in the wrong direction. The keyword that defines the new paradigm is *agency*.

This word *agent* is, of course, an ancient one but its use-value skyrockets in the post-Vietnam era. The ANU library catalogue, for example, lists forty-two books with the word 'agency' in the title. All of these were published after 1980 and most use the word 'agency' in the modern theoretical sense of the word. A search on the

database *Anthroplit* told the same story. I got 996 hits, of which 97 per cent were published after the 1970s.

This tradition of thought has its origins in the work of Giddens and Bourdieu and has branched off in many directions under the umbrella terms of 'globalisation' and 'hybridity'. Insofar as economic anthropology is concerned it has seen *consumption* replace *production* as the privileged economic concept and the rise of the 'spirit' of the commodity as the new problem of global value to be investigated. Like all new paradigms, the rhetoric of negation was used as a means of self-definition of this new one.

The problem now was not to understand the articulation of tribe, peasant and capitalism, but the interaction of the local in the global and the global in the local in a way that transforms the *victims* of early imperialism into *agents* in the new post-imperialist era of globalisation. The popularisation of the paradigm within anthropology owes much to the work of Ortner (1984) who was one of the first to notice the emergence of agency as the keyword of a new debate. It took me much longer to realise the significance of what had happened, but when the *Journal of Peasant Studies* changed its name to the *Journal of Agrarian Change*⁸ in 2001 it finally dawned on me that this was the administering of the last rites to the Marxist-inspired thought of the articulation era. Now, it was not only down but out. Along with it went the popularity of the term and the subject 'economic anthropology' because, for many, it conjured up images of the now-discarded articulationist paradigm.

This new *agency* paradigm has informed ethnographic research and debates in economic anthropology over the past three decades and the results have been impressive. The iconic figures of this new cultural economy are no longer the Melanesian big man⁹ and his *moka*, but the poor West African *sapeur* whose rite of passage to manhood obliges him to take a journey from the streets of Brazzaville with its cheap clothing to Paris where he must acquire a real *haute couture* wardrobe.¹⁰ This paradigm necessarily poses the question of how this agent indigenises modernity. It also poses the question, 'What is an agent?'

The neoclassical economists—the formalists as they are called in anthropology—first developed an answer to this question in the 1870s and the word 'agent' has been a central concept for them ever since. The Friedmanite neoliberal economics is, therefore, the most influential branch of theory within the agency paradigm.¹¹ Leading agency theorists such as Ortner and Douglas were well aware of its connections to neoliberal economics. As Ortner notes, the 'model is that of an essentially individualistic, and somewhat aggressive, actor, self-interested, rational, pragmatic, and perhaps with a maximising orientation as well' (Ortner 1984: 151). Her concern was not so much to reject the notion but to modify and develop it by giving it a cultural gloss.

So too it was with Mary Douglas. Her book, *How Institutions Think*, is explicitly concerned to bring together the theory of rational individual action with the Durkheim–Fleck theory of collective action (Douglas 1986: 8). As the title of Douglas's

book suggests, the agency is not restricted to human agency.¹² Subsequent theorists have argued that commodities (Appadurai 1986), symbols (Wagner 1986), animals, plants¹³ and even glaciers (Cruikshank 2005) have agency. The agency paradigm, then, is committed to a theory of value that turns the labour theory of value on its head: things as agents give value to people rather than the other way around.

The idea of agency necessarily implies the idea of victimage, but so concerned have anthropologists been to assert that our informants have agency that we have overlooked the fact of victimage. It strikes me as a paradox that the idea of agency has risen to dominance in an era of globalisation when all of us have become victims of the deeds of our recently deceased ancestors who started to warm things up globally.

History tells us that the agency paradigm will not last forever. Given that it has reigned for over thirty years, and given that the length of this reign compares favourably with that of other paradigms such as evolutionary theory and functionalism, my guess is that the idea of agency as a *dominant* paradigm has not got long to run.¹⁴

The existence of a dominant paradigm presupposes the coexistence of a number of subordinate paradigms, and if economic anthropology as the name of a sub-discipline has all but disappeared under the general banner of consumption and agency, it has continued to thrive in the practice of ethnographers working on specific regional problems related to economy, ecology and kinship. There is little theoretical unity to this work, but given the diversity of problems confronted by different people in different parts of the world today this should not come as a surprise.

Economic anthropology used to have two 'sacred' field sites—one in Melanesia, the other in Central America—and the empirical data gathered from these sites set the original theoretical agenda for the sub-discipline. Malinowski conducted seminal fieldwork in both of these areas and the respective subjects of his investigations—gift exchange in Melanesia, rural marketing and commodity exchange in America—revealed as much about the socio-economic concerns of people in both areas as it did about Malinowski's interests. This regional division provided the exemplars for the old distinction between tribal economy (Sahlins 1968) and peasant economy (Wolf 1966). Recent economic history has rendered this distinction in comparative economy obsolete but there is a sense in which it has also entrenched it, because the old dichotomy has been the basis on which new regionally specific questions have emerged. The title of Akin and Robbins' edited collection, *Money and Modernity: State and Local Currencies in Melanesia* (1999), exemplifies contemporary concerns of the Melanesianist, whilst Cook's *Understanding Commodity Cultures: Explorations in Economic Anthropology with Case Studies from Mexico* (2004) captures the essence of the contemporary Americanist's preoccupations. The ethnographic and theoretical literature from both areas has grown so rapidly over the past five decades that regional specialisation has become necessary, as Scott's scholarly review of the intellectual history of the prominent anthropologists who have written

on the commodity economy of Central America reveals. His concern is 'to set the groundwork for new theoretical approach to economic anthropology' (p. 11) and he does this by means of a thoroughgoing critique of the extant ethnography, one informed by his lifetime's work in the area. His work invites comparison with other recent theoretical contributions to the area by Gudeman (2008), Wilk (1996) and others. These contributions do not even pretend to address the specificities of the Oceanic debates where issues of 'customary' land tenure and development have become the centre of much policy debate¹⁵ alongside neotraditional debates about attempts by the state to control the flourishing trade in shell money, whale's teeth and the like.¹⁶

Oceania and America are no longer *the* 'sacred' sites anymore. Chris Hann and Caroline Humphrey have carved out a new terrain in Eastern Europe. This began with their pioneering work on collective farms in Hungary (Hann 1980) and the USSR (Humphrey 1983) respectively, and has continued apace over the past twenty-five years as they have become heads of large research teams of young scholars who have become specialists on the economies of post-socialist states (Hann 2002, 2003; Mandel and Humphrey 2002; Hann *et al.* 2005). Meanwhile, work on the economic anthropology of Africa and Asia has continued to flourish and create yet further regional sub-fields of specialist interest.¹⁷ Theoretical interests, too, have sub-divided and become specialised. There is now a large body of theoretical literature on the specificities of the 'Indian' gift, for example (Heim 2004).

If there is one topic that brings all this disparate literature together then it is money. Keith Hart has almost single-handedly devoted himself to the rehabilitation of economic anthropology by pursuing this theme with characteristic boldness in his recent book, *Money in an Unequal World* (2000). This is nothing less than an anthropological analysis of the present moment in world economic history, which Hart sees as caught between the institutions of agrarian civilisation and a machine revolution. This is associated with rapidly growing socio-economic inequality on the one hand and the transformation of paper money into electronic digits on the other; but, he argues, the key to overcoming the former problem is to be found in the opportunities that the latter presents for repersonalising economic life in a world of cheap information.

Few anthropologists have followed Hart's lead. Instead, the topic of money and finance has led to the creation of yet another ethnographic field site, a move that has taken economic anthropologists from the peripheries of capitalism to its dead centre at Wall Street in New York, the City in London and the Tokyo financial markets. We now have ethnographic studies on topics like financial derivatives whose mystical workings make formerly exotic exchanges like *kula* seem intimately familiar.¹⁸

This, then, is what I see has happened to economic anthropology in the post-1970 era: the development of a new theory of value using the conceptual language of agency and consumption on the one hand, and the ethnographic conquest of the globe on the other. The former has constructed the semblance of a theoretical unity

whilst the latter has divided the sub-discipline into ethnographic regions with its own specialist discourses that share little in common. The dominant paradigm is, of course, a minor variation on a general theme that has permeated most disciplines in the social sciences. History tells us that dominant paradigms do not last forever, as key terms become debased of semantic value through overuse and overextension. Given that the referent for the term 'agency' has been expanded from its primary referent *Homo sapiens* to include other animals along with vegetables, minerals and even ideas, it would seem that, by this criterion, the end is nigh for this paradigm.

DISTRIBUTION AND ... (?)

What will happen to economic anthropology in the future? It is clear that economic anthropology, considered as a general theory of the interrelationship between economy, kinship and ecology from a subaltern¹⁹ point of view can never go away; but it is also clear from the forgoing discussion that the particular theoretical form this study takes will vary over time along with historical changes in the political economy at large. The dominant theoretical paradigms in economic anthropology will also reflect broader historical changes in socio-cultural thought because a small sub-discipline like anthropology is a trend-taker rather than a trend-setter. These historical changes have affected, and will continue to affect, the dominant terms of debate.

Exchange, we have seen, emerged as the privileged concept in the pre-1970 era; this was replaced by *consumption* in the post-1970 era with *production* having a brief reign in the Marxist-influenced interregnum. Reflections on value in the pre-1970 era focussed on the 'norm of reciprocity' and 'obligation' in kinship-based societies and opposed this to 'negative reciprocity' in the so-called market economies. From the perspective of the neo-Marxist, 'negative reciprocity' is another way of talking about surplus value and capitalist exploitation, values that are not just logically opposed to the 'norm of reciprocity' but in a relation of political domination over them. The post-1970 paradigm privileged consumption and culture,²⁰ freed the victims of capitalist imperialism from their fate by giving them agency and some freedom to choose their own lifestyle and, in so doing, were able to develop new insights into the human condition of the subaltern in the late twentieth century. I make no value judgement when I assert that this theory of value has a parallel-cousin-type relationship to the neoclassical economic theory of value because it is equally obvious that the value theory that rose to dominance in the 1960s and 1970s had a similar relationship to Marx's labour theory of value. These claims are empirical assertions which, from the point of view of the leading theorists of the time, are obvious, for their explicit intention was to modify and develop the respective theories of Marx and Friedman.

The question now arises as to what will become of economic anthropology for, as I have argued, the dominance of the agency paradigm seems to be coming to an end. What are the keywords of the emerging paradigm? What ideas will replace consumption and agency as the new terms of debate? I do not know, but on the

assumption that anthropological theory is a little behind the economic times, then *distribution* should become the privileged economic concept. The past fifty years has seen massive redistributions of wealth not just from poor countries to the rich following the breakdown of Bretton Woods, but also from poor to rich within every country. The iconic figure of this era is the 30 million dollar man, the top executive who writes his own pay cheque. Keith Hart's (2000) focus on money in an unequal world is, I believe, on target. So too, perhaps, is his argument about the 'repersonalisation' of economic relationships that the internet revolution offers.

But what should become the dominant paradigm on theoretical grounds is one thing, while what will actually become the dominant paradigm is quite another. This is because the emergence of a dominant paradigm is the subject of forces beyond the control of a single academic or even a group of academics. The history of ideas in social science does not progress according to the principle that good ideas drive out the bad; nor is it the case that some Gresham-type law operates to ensure that the bad drives out the good. New paradigms have their origin in new questions. These questions do not fall from the sky; they arise from the prevailing politico-economic situation people find themselves in.²¹ Negation of the ideas of the past plays a role too but, by definition, a negative one. The clues to the emergence of a new paradigm are to be found in the new terms of debate that arise from time to time. Ortner, as I argued before, was perceptive enough to realise that 'agency' was the new term of the post-1970s debate and she did much to popularise the term in anthropology. One recent neologism that is gaining currency is 'financialisation' and this term may be indicative of something significant that is happening to the economy at large.

Dore is credited with coining the term 'financialisation' in his *Stock Market Capitalism: Welfare Capitalism* (2000: 2–6). He introduced the term to describe what he perceived to be a new phase in the development of capitalism: the increasing dominance of the finance industry in the sum total of economic activity and the pursuit of shareholder value as the main objective of corporate executives. One recent commentator on Dore's work finds it:

really strange that, while there is a heated discussion on liberalisation, neoliberalism, privatisation, etc., the most important dimension of globalisation—financialisation—is almost completely ignored. Why this is done is a mystery. The recent global crisis given rise by sub-prime mortgages in America has underlined that, without looking into the history of the rise and proliferation of financialisation, it is difficult to understand the crisis and its implications (Mishra 2007).

What the word captures is not so much the fact of the importance of the finance sector but its *increasing dominance* in recent years. The evidence for this, as Mishra (2007) notes,

... is indicated by the fact that the share of the financial sector in total corporate profit was 14 per cent in 1981 and it reached 39 per cent in just two decades. This has led to greater prosperity for financial middlemen and corporate elite. Their close connection

has enabled them to influence country's socio-economic life. To co-opt the new entrants to the service of a company, stock options are offered so that they have interest in pushing up the value of its shares.

Perhaps the most telling case for taking the notion seriously is the fact that the international trade union movement does. This is because financialisation has broken the link between wages and industrial productivity and forged a new one between executive salaries and share price. Unions are concerned with the welfare of industrial workers and they see that the enhanced importance of financial capital, as opposed to 'real' or industrial capital, in determining the rhythm and returns from investments as having profound consequences for their members and society at large. A recent report by the International Union of Food Workers (IUF 2007), for example, argues that the focus on maximisation of shareholder value and pursuit of short-term, high rates of returns of around 15–20 per cent are unsustainable in the long run. They see it as leading to declining real rates of investment, rising dividends to shareholders as managerial pay is linked to short-term stock market movements. This has seen the injection of enormous amounts of money into private equity funds that set targeted rates of return of 25 per cent. The private equity funds buy companies and de-list them to avoid the regulatory framework that constrains listed companies. They restructure them by slashing costs, retrenching workers and maximising borrowings and then re-sell them. The consequences of this, as the unions see it, is the expropriation of industrial capital stock and rising levels of socio-economic inequality.

There are, of course, many different interpretations of the meaning of 'financialisation'.²² Crotty (2003), for example, draws attention to what he calls the 'neoliberal paradox': the fact that intense competition makes it impossible for non-financial capital to achieve high earnings at the most, but that financial markets demand that they generate ever-increasing earnings or face falling stock market prices and the threat of hostile takeover. Whatever way one looks at it though, the global trends in capital movement over the past three to four decades are there for all to see: the 'city' in London has doubled in size as the United Kingdom has de-industrialised. In Asia, on the other hand, industrialisation is developing at breakneck speed, with China and India leading the way. Agriculture, the leading economic sector in Asia for millennia, has lost its economic and cultural status; its percentage share of gross domestic product has fallen dramatically in most Asian countries. This has had profound socio-cultural consequences as the young leave the country in droves in search of work and adventure in the cities and overseas; meanwhile farming is maintained by an aging population. This has had, and will continue to have, a profound impact on the ethnographic work of anthropologists. Multi-sited ethnographic research in urban areas, often of an international kind, is now the default method.

There is, of course, a long history of urban-based work and some of the pioneering work of economic anthropologists on this topic dates back decades—Hart's

(1973) classic study of the informal economy being one such example—and work of this kind will have to be revisited and revised in the light of the changing conditions today.

In my opinion the classic definition of the economy that Polanyi (1957: 250) gave us—‘that the human economy is an instituted process’—will have to be redefined and modified to suit the new conditions that have developed over the past few decades. This definition of our subject matter has served us well. Generations of economic anthropologists and economic historians have used it to guide their empirical research and to think in a new way about the economic data they have collected. It has enabled them to get beyond the formal aspects of economic analysis to a consideration of its substantive features: the historically specific ways in which the economy is embedded in social relations between people. These substantive features of the economy as a human process are not in question; it is the qualitative changes in the substantive features that need rethinking.

For Polanyi (1944: ch. 4), a trinity of institutions defined the ‘substantivism’ of his approach: the self-regulating market, the state and the moiety. The market provides the institutional structure for the principle of money making to flourish, the institution of the state gives us redistribution and the exogamous moiety provides the institutional structure for the reciprocal exchange of gifts. This conceptual toolbox has proven to be very useful, for not only does it have great generality, it admits of fine-tuning to handle culturally specific cases from the kingdoms of Dahomey to the chieftainships of Fiji, and from the exogamous moieties of the Australian Aborigines to the clans of highland PNG. The problem with these tools is that they cannot handle the non-institutional forms that have emerged today.

An institution is a form of social organisation that is, by definition, above and beyond people; as such, institutions outlive people but, as historical entities, can arise, pass away and/or change over time. Take Polanyi’s concept of the self-regulating market, for example. The centrepiece of this institution in the twentieth century, he correctly argued, was the gold standard (Polanyi 1944: ch. 1). Different eras have employed different metallic standards of value of one form or another—silver standards, gold standards, bimetal standards and the US\$-gold standard. Their principal function was to facilitate a measure of fixity in exchange rates. The Bretton Woods system, founded after the Second World War, was the most recent institutional basis of the world market. However, the breakdown of this system in 1971 turned the world market into the part non-institutional form we struggle to understand today using a neologism such as ‘financialisation’. Flexible exchange rates provided the grounds for the speculative trade in currencies on a scale never seen before in world history; the development of computers enabled the development of new forms of money of such complexity that they are quite literally beyond the grasp of the human imagination.

The institution of the state has gone through profound transformation too. The era of ‘functionalism’ in anthropology flourished under the protective umbrella of a

strong colonial state whose presence in shaping the lives of the people anthropologists study was not always acknowledged or understood. Today, anthropologists working in Africa and Oceania have no choice but to acknowledge the presence of a post-colonial state often described as 'failed' or 'failing'. Chabal and Daloz's (1999) controversial *Africa Works: The Political Instrumentalization of Disorder*, suggests a need to move from studying the functionalism of order to the pragmatic workings of disorder.

The third institution in Polanyi's trinity, the moiety as the foundation of the dual organisational structure that enables reciprocity to flourish, is becoming increasingly irrelevant in today's world where the transnational family has emerged as the social form to be reckoned with. The classically bifurcated village in Amazonia or Oceania can still be found but many of its younger residents have left—some permanently, some temporarily—to pursue employment and education in the cities and abroad. The same is true of those villagers whose kinship organisations were dominated by clans and lineages of some kind or other. These transformations have weakened family ties in some cases but strengthened them in others. The social cement that has united families in the latter case has been money, usually in the form of remittances. What is of significance about remittances is not that they are new but that, like financialisation, their importance has grown in recent years. In 2004, for example, Indian remittances totalled US\$21.7 billion, the largest in the world. Singh (2006: 375) argues that the 'emergence of a transnational Indian family also means the development of a special kind of transnational family money, where money is equated with or measured against filial care'.

My own work (Gregory 1997) on the 'family money' of migrating Indian merchants leaves me in no doubt that non-institutional, kindred-like kinship structures are the key to understanding this new 'transnational' family. Among the Halbi speakers of Bastar this kindred-type grouping is called a 'brotherhood' (*dadabhai*). This is an ego-centric grouping rather than socio-centric grouping of the kind that defines the sense of the word 'institution'. In other words, it is a relative grouping whose shape and size varies depending upon the selected ego, rather than an absolute grouping defined by some bird's eye view above and beyond people. Sociologically speaking, the brotherhood is defined by the historically contingent circumstances people find themselves in. For a merchant family, the us-group is defined by those among whom the elder brother ('ego') decides to share trading capital. Generally speaking, kinship distance is the deciding factor but the meaning of this notion is determined by the pragmatics of face-to-face relations in daily life.

The transnational family today obviously assumes a myriad of different forms that only empirical research can define, but we can only hope to understand this if we relinquish some old modes of thought. Perhaps the key proposition that needs revising is the ancient one that money-making begins on the boundaries of kinship-based economies because, in the case of the transnational family, monetary transactions are not opposed to kinship, they help define and reproduce it. This is not to say that the old theories are wrong; but it does mean that when we broaden

Polanyi's definition of the economy to include non-instituted economic processes we must allow for apparent paradoxes of this kind. The study of economic anthropology is ahead of us, not behind, but we must look back if we are to move forward. Economics has the ancient question of value at its core. Economic anthropology has broadened our conception of this problem by drawing attention to the coequality of contradictory value regimes. Economic history reminds us of the ever-changing nature of the problem, a challenge that anthropologists need to, and are beginning to,²³ confront.

NOTES

- 1 This is a revised version of a paper presented to the Australian Anthropological Society Annual Conference, 'Transforming Economies, Changing States,' Canberra, 31 October to 2 November 2007. Keith Hart and Francesca Merlan have provided useful comments on an earlier draft. Jon Altman and Nicolas Peterson have helped in finding some references. The anonymous referees provided insightful comments and questions. The author thanks them all. The usual caveat applies.
- 2 'Labour ... is alone the ultimate and real standard by which the value of all commodities can at all times and places be estimated and compared. It is their real price; money is their nominal price' (Smith 1776: 29).
- 3 'Indicative ethnographic terms include "haggling" or "barter", "gambling", "chicanery", "theft", and other varieties of seizure' (Sahlins 1972: 195).
- 4 Fabian (1983: 31) defined this denial as 'a persistent and systematic tendency to place the referent(s) of anthropology in a Time other than the present of the producer of anthropological discourse'.
- 5 As Kathleen Gough (1969: 128) famously put it: 'modern anthropology, as a university discipline, is a child of Western capitalist imperialism'.
- 6 An economic historian might see the relevant date as 15 August 1971 when Nixon was forced to close the gold window that suspended the convertibility of the US dollar into gold at the fixed rate of US\$35 per ounce.
- 7 Prominent among this group in Australia are Ron Brunton, Keith Windschuttle and Paddy McGuinness.
- 8 See Bernstein and Byres (2001) for a full discussion of this name change.
- 9 I refer here to Ongka, the big man whose fame owes much to his book (Strathern 1979) and to the ethnographic film of his 'big moka' (Nairn and Strathern 1983).
- 10 As described by Friedman (1994) in his fascinating study.
- 11 Milton Friedman is famous for his textbook account of price theory (1962), his theory of money (Friedman and Schwartz 1963) and his argument for flexible exchange rates (Friedman 1953), among many other writings.
- 12 Becker—who won a Nobel Prize in Economics 'for having extended the domain of microeconomic analysis to a wide range of human behaviour and interaction, including nonmarket behaviour'—argues that neoclassical economists' model of the economic agent is applicable not only 'to persons from all walks of life' (ix) but also to non-human forms of biological life as well because 'nonhumans as well as humans allocate scarce resources while competing in various situations' (x). In other words, his analysis

- extends beyond *homo sapiens* to include the great apes; and beyond primates in general to include birds and fish.
- 13 The extension of agency to animals, vegetables and minerals is part of a global movement called 'deep ecology'. Ferry (1992) provides an informative history and penetrating critique of the ideological roots of this movement.
 - 14 It will, of course, persist as a subordinate paradigm along with structuralism, and other previously dominant paradigms.
 - 15 See, for example, Fingleton (2005) for a spirited attack on the neoliberal agenda to privatised land in the Pacific. Sutton (2003) is a comprehensive review of the situation in Australia.
 - 16 In PNG, for example, moves have been made to convert the shell money of the Tolai into legal tender (*Post Courier* 1999).
 - 17 The essay would become a long reading list if an attempt were made to survey this literature. It suffices to note the work of leading scholars, such as Jane Guyer on West African economic history and anthropology (see http://anthropology.jhu.edu/Jane_Guyer/index.html) and Jonathon Parry's contribution to the theory of the Indian gift as well as his recent ethnographic work on steel workers in central India (see <http://www.lse.ac.uk/collections/anthropology/whosWho/parry.htm>).
 - 18 Maurer (2006) has reviewed this literature and made an important contribution of his own to our understanding of Islamic banking (Maurer 2005).
 - 19 This, historically, has been the perspective taken by anthropologists since the beginning; the elite perspective is an equally valid point of view to take and Marcus (1983) has been a pioneer on this front.
 - 20 Weber associated production with class and consumption with culture in the following way: 'one might say that "classes" are stratified according to their relations to the production and acquisition of goods; whereas "status groups" are stratified according to the principles of their consumption of goods as represented by special "styles of life"' (Gerth and Wright Mills 1948).
 - 21 The question of the resurgence of interest in economic anthropology in recent years admits of no simple answer. It is one thing to observe what has happened, quite another to explain why. An historical study that located the recent history of ideas within its broader political and economic context would be needed to develop some plausible hypotheses.
 - 22 The Wall Street crash is happening as I prepare the final draft of this paper for publication. If the remarks of the pundits can be relied on, this event could very well signal the end of the era of financialisation.
 - 23 As evidenced by the recent upsurge of interest in the value (Graeber 2001; Gudeman 2008; Pedersen 2008).

REFERENCES

- Akin, D., J. Robbins (eds) 1999. *Money and Modernity: State and Local Currencies in Melanesia*. Pittsburgh, PA: University of Pittsburgh Press.
- Appadurai, A. 1986. Introduction: Commodities and the politics of value. In A. Appadurai (ed.) *The Social Life of Things: Commodities in Cultural Perspective*, pp. 3–63. Cambridge: Cambridge University Press.

- Becker, G. S. 1981. *A Treatise on the Family*. Cambridge, MA: Harvard University Press.
- Bernstein, H., T. J. Byres 2001. From peasant studies to agrarian change. *Journal of Agrarian Change* 1: 1–56.
- Chabal, P., J. P. Daloz 1999. *Africa Works. The Political Instrumentalization of Disorder*. Bloomington: International African Institute in association with James Currey and Indiana University Press.
- Cook, S. 2004. *Understanding Commodity Cultures: Explorations in Economic Anthropology with Case Studies from Mexico*. Lanham: Rowman & Littleford Publishers, Inc.
- Crotty, J. 2003. The neoliberal paradox: The impact of destructive product market competition and impatient finance on nonfinancial corporations in the neoliberal era. *DOI Review of Radical Political Economics* 35: 271–9.
- Cruikshank, J. 2005. *Do Glaciers Listen? Local Knowledge, Colonial Encounters, and Social Imagination*. Toronto: University of British Columbia Press.
- Dore, R. 2000. *Stock Market Capitalism: Welfare Capitalism*. Oxford: Oxford University Press.
- Douglas, M. 1986. *How Institutions Think*. Syracuse: Syracuse University Press.
- Fabian, J. 1983. *Time and the Other: How Anthropology Makes its Object*. New York: Columbia University Press.
- Ferry, L. 1992. *The New Ecological Order*. Chicago: Chicago University Press.
- Feyerabend, P. 1978. *Science in a Free Society*. London: Verso.
- Fingleton, J. (ed.) 2005. *Privatising Land in the Pacific: A Defence of Customary Tenures*. The Australia Institute Discussion Paper Number 80, Canberra.
- Firth, R. 1929. *Primitive Economics of the New Zealand Maori*. London: George Routledge.
- Firth, R. 1939. *Primitive Polynesian Economy*. London: Routledge & Kegan Paul.
- Friedman, M. 1953 [1988]. The case for flexible exchange rates. In L. Melamed (ed.) *The Merits of Flexible Exchange Rates: An Anthology*, pp. 3–70. Fairfax: George Mason University Press.
- Friedman, M. 1962. *Price Theory: A Provisional Text*. Chicago: Aldine.
- Friedman, J. 1994. The political economy of elegance: An African cult of beauty. In J. Friedman (ed.) *Consumption and Identity*, pp. 167–88. London: Harwood.
- Friedman, M., A. J. S. Schwartz 1963. *A Monetary History of the United States 1867–1960*. Princeton: Princeton University Press.
- Gerth, H. H., C. Wright Mills (eds) 1948. *From Max Weber: Essays in Sociology*. London: Routledge and Kegan Paul.
- Gough, K. 1969. World revolution and the science of man. In T. Roszak (ed.) *Dissenting Academy*, pp. 135–58. Middlesex: Penguin.
- Graeber, D. 2001. *Towards an Anthropological Theory of Value: The False Coin of Our Dreams*. New York: Palgrave.
- Gregory, C. A. 1997. *Savage Money*. London: Harwood.
- Gudeman, S. 2008. *Economy's Tension: The Dialectics of Community and Market*. Oxford: Beghahn.
- Hann, C. 1980. *Tazlar: A Village in Hungary*. Cambridge: Cambridge University Press.
- Hann, C. (ed.) 2002. *Postsocialism: Ideals, Ideologies and Practices in Eurasia*. London: Routledge.
- Hann, C. 2003. *The Postsocialist Agrarian Question: Property Relations and the Rural Condition*. Münster: LIT.
- Hann, C., M. Sárkány, P. Skalik (eds) 2005. *Studying Peoples in the People's Democracies. Socialist Era Anthropology in East-Central Europe*. Münster: LIT Verlag.

- Hart, K. 1973. Informal income opportunities and urban employment in Ghana. *The Journal of Modern African Studies* 11: 61–89.
- Hart, K. 2000. *Money in an Unequal World: Keith Hart and his Memory Bank*. New York: Texere.
- Heim, M. 2004. *Theories of the Gift in South Asia: Hindu, Buddhist, and Jain Reflections on Dana*. London: Routledge.
- Humphrey, C. 1983. *Karl Marx Collective: Economy, Society and Religion in a Siberian Collective Farm*. Cambridge: Cambridge University Press.
- IUF. 2007. Financialization and the changing organizing environment. *Power through Organizing*. 25th Congress, Geneva, 19–22 March 2007.
- Lévi-Strauss, C. 1949 [1969]. *The Elementary Structures of Kinship*. London: Eyre & Spottiswoode.
- Malinowski, B. 1922 [1961]. *Argonauts of the Western Pacific*. New York: Dutton.
- Mandel, R., C. Humphrey (eds) 2002. *Markets and Moralities: Ethnographies of Postsocialism*. Oxford: Berg.
- Marcus, G. E. 1983. *Elites: Ethnographic Issues*. Albuquerque: University of New Mexico Press.
- Maurer, B. 2005. *Mutual Life, Limited: Islamic Banking, Alternative Currencies, Lateral Reason*. Princeton: Princeton University Press.
- Maurer, B. 2006. The anthropology of money. *The Annual Review of Anthropology* 35: 15–36.
- Mauss, M. 1925. *The Gift: The Form and Reason for Exchange in Archaic Societies*. London: W. W. Norton.
- Mishra, G. 2007. *Financialization in Globalized World*. ZNet. Accessed 5 January 2009. URL <http://www.zmag.org/znet/viewArticle/14648>
- Nairn, C., A. Strathern 1983. *Kawelka: Ongka's big moka [videorecording]*. London: Granada.
- Ortner, S. B. 1984. Theory in anthropology since the sixties. *Comparative Studies in Society and History* 26: 126–66.
- Pedersen, D. 2008. Introduction: Towards a value theory of anthropology. *Anthropological Theory* 8: 5–8.
- Polanyi, K. 1944. *The Great Transformation*. New York: Rinehart.
- Polanyi, K. 1957. The economy as an instituted process. In K. Polanyi, C. M. Arensberg, H. W. Pearson (eds) *Trade and Market in the Early Empires: Economies in History and Theory*, pp. 243–70. New York: The Free Press.
- Post Courier (1999). Shell money to become legal tender. *Papua New Guinea Post-Courier*. Port Moresby. Friday 26 November.
- Sahlins, M. D. 1968. *Tribesmen*. Englewood Cliffs: Prentice-Hall.
- Sahlins, M. 1972. *Stone Age Economics*. Chicago: Aldine.
- Singh, S. 2006. Towards a sociology of money and family in the Indian Diaspora. *Contributions to Indian Sociology* 40: 375–98.
- Smith, A. 1776 [1970]. *An Inquiry into the Nature and Causes of the Wealth of Nations*. London: Everyman's Library.
- Strathern, A. (ed.) 1979. *Ongka: A Self-Account by a New Guinea Big-Man*. London: Duckworth.
- Sutton, P. 2003. *Native Title in Australia: An Ethnographic Perspective*. Cambridge: Cambridge University Press.
- Wagner, R. 1986. *Symbols that Stand for Themselves*. Chicago: Chicago University Press.
- Wilk, R. R. 1996. *Economies and Cultures: Foundations of Economic Anthropology*. New York: Westview.
- Wolf, E. R. 1966. *Peasants*. Englewood Cliffs: Prentice-Hall.