I. Economic System—the norms governing production, distribution and consumption of goods and services within a society.

A. Deals with the relationship of things to people and people to one another.
   1. The way production is organized has consequences for the institution of the family and for the political system. In agricultural societies as in southern Mali
      a. children can help farm when they are very young, thus families tend to have many children.
      b. large families can cultivate more land and therefore are generally wealthier than small families
      c. individuals acquire political power, leadership and social prestige derived from having wealth and numerous relations
   2. Economics is embedded in the total social process and cultural pattern
      a. In non-industrial and kin based societies, production is carried out by groups such as families, larger kin groups or local communities
      b. Distribution, exchange and consumption of goods are embedded in social, political and economic relationships.
      c. More obvious in traditional societies but also true of capitalist market economy.

B. Economics—the study of the ways in which the choices people make combine to determine how their society uses its scarce resources to produce and distribute goods and services
   1. Economizing Behavior—choosing a course of action that pursues the course of perceived maximum benefit
      a. Some scholars have equated benefit as rational attempts to maximize profit, however, this notion is very limited
      b. Choices are based on some calculation of benefit whether its financial, social, leisure time, future benefit, family connections or tradition.
      c. Profit is not a universal economic value.
   2. Culture, values, and institutions provide the framework within which these choices are made.
a. Capitalism dominates Western culture and the world to some degree, thus there is an extremely high value on wealth and material prosperity.

b. Other societies such as the Hadza of Tanzania appear to be in business for their health and there is emphasis on leisure time.

3. **Prestige**—social honor or respect is another value toward which people may direct their energies.

   a. In Western society, prestige is linked with increased consumption and display of goods and services.

   b. In non industrial societies, prestige is associated with generosity and the giving away of goods to others. It has a social and political function.

4. Applied Anthropologists are often concerned with issues of economic development in poor nations.

   a. They must attempt to analyze the broad institutional and social contexts within which people make decisions.

   b. They must attempt to determine and evaluate the factors that motivate individual decision making.

   c. It is difficult and wrong headed to design programs that promote development in a foreign culture without a thorough understanding of that culture's institutions and forces that motivate its people.

II. **Every Society has norms or rules that regulate access and control over resources of land, water, labor, and the materials from which tools are made.**

   A. **Productive Resources**—are material goods, natural resources, or information that is used to create other goods or information.

   1. Among foragers, weapons used in hunting animals and tools used in gathering plants are productive resources.
      
      a. The technology is simple, and tools are made by hand and are deemed important because they are essential to survival.

      b. Besides tools, land and water are the most critical resources for the requirements of a foraging lifestyle.

      c. People must spread out over a large area of land, thus there is an adaptive value of flexible boundaries that can be adjusted to change the availability of resources in a particular area.
d. Freedom of movement is viewed not only as a condition of success in the search for food but also as a way of dealing with social conflict, which must be kept at a minimum.

e. Share with foragers our mobility.

2. **The most critical resources for pastoralists are livestock and land.**
   
   a. Access to grassland and water is gained through membership in corporate kin groups, i.e., lineages.
   
   b. Livestock is managed and owned by individual heads of households.
   
   c. Animals produce goods that are directly consumed, such as milk, and used for exchange with agriculturalist or sold in local markets.
   
   d. Because animals must be cared for and fed, maintenance of these productive resources requires substantial time and energy.
   
   e. Access to land for grazing livestock is through contracts with the landowners of villagers which specify the rent for the pasture, the borders of the area, and the date by which the area must be vacated—see the Drokba of Tibet page 173.

3. **Horticultural societies require land tools and often storage facilities.**
   
   a. Lands tends to be communally owned by the extended kin group although rights to use a piece of land may be given to households or even individuals—see the Ibo of Nigeria.
   
   b. Since the group may not dispose of the land at will—may not sell the land—few people are deprived of access to basic resources because almost every person belongs to a kin group within the society.
   
   c. The rights to cleared and productive land and to the products of that land are vested in the domestic group or extended household who work it.
   
   d. Some system of inheritance of use of rights is usually provided for—see the Lacandon Maya, page 173.
   
   e. When land shortages occur, the problem is primarily dealt with by warfare—see the Enga of New Guinea Highlands page 173.
4. In politically and technologically more complex societies, access to the means of production is likely to be in the hands of a ruling elite

   a. Technology becomes more complex, and the material base of the society expands—occupation specialization

   b. Ownership of critical resources may be limited to a small group whose members thereby gain power over others and control their labor

   c. The material and labor investment in land becomes substantial producing surpluses that can feed more people than those who work the land.

   d. Concept of private property. Land belongs to individuals by right of sale, and within the limits of the law, the individual who owns the land has the right to keep others off and dispose of the land as he or she wishes.

   e. Fields are usually rented to laborers whose efforts support themselves and their landlords. See Bangladesh example, page 174.

   f. Peasants are agriculturalists integrated into the large state-level societies who give a part of what they produce to ruling class in the form of rents and taxes.

B. Organizing Labor

1. In small scale non-industrial and peasant economies, the household or extended kin group is the basic unit of production and consumption

   a. These groups produce goods mainly for their own use

   b. Their goals are often social or religious rather than strictly monetary

2. In Western Society, work has very important social implications as not only a source of money but also of self-respect, challenge, growth, and personal fulfillment

   a. People work to consider themselves as participants in society as well as for financial gain

   b. In the 1980s, 88% of winners of very large lottery jackpots in the U.S. wanted to continue working despite the fact that they had no financial need.

III. Firms and Households
A. Anthropologist generally differentiate between the household and the family.

1. **Household**—a group of people united by kinship or other links that share a residence and organize production, consumption, and distribution among themselves.
   
a. In addition to seeking financial gain, households must also fill social and ritual functions
   
b. They are limited because they can draw labor only from a small group
   
c. Large scale production and mass distribution systems tend not to develop where economic systems are at the subsistence level.

2. In Industrial societies, the firm is the basic unit of production
   
a. Firm—an institution composed of kin and/or non-kin that are organized primarily for financial gain
   
b. Individuals are usually tied to firms through the sale of their labor for wages
   
c. Firms are geared toward economic growth and are always looking for technological innovation and expansion of productivity
   
d. Firms are more productive than household's because they are not concerned with social considerations that do affect the family. Rather, they focus on profit and growth.

B. The sexual division of labor is a universal characteristic of society.

1. Since women are the ones who can bear and nurse children, caring for infants is almost universally a female role.
   
a. Pregnancy and nursing tend to make women less mobile than men, and this may account for the fact that tasks requiring mobility—in non industrial societies hunting large animals and warfare are almost exclusively male occupations. On the other hand, women do hunt small animals and assist men in big game hunting.
   
b. The extent to which biological sex differences can explain sex-role differentiation is a matter of dispute among anthropologists.
c. There is tremendous variation in the sex-related division of labor that may be based on the environment, food-getting strategy, ideology, and level of sociopolitical complexity of a particular society.

2. In foraging societies, men generally hunt and women generally gather.
   a. Among the Ache of Paraguay, women spend only 13 hours a week getting food and have much more leisure time than men
   b. Where is a communal activity, as among the Mbuti, women and men from several different families collectively drive the animals into some central area, although men do the actual killing
   c. In some societies, men and women also work together gathering nuts or fishing in the streams.

3. In societies that practice extensive cultivation—horticulture both men and women play important roles in food production
   a. In New Guinea, women are responsible for cultivating basic staples and men raise only the prestige crops used in exchange—such as yams.

4. Males’ physical strength becomes an important factor in societies that practice agriculture or intensive cultivation
   a. The time women spend in domestic tasks such as food preservation and processing and caring for domestic animals increases.
   b. Since women in agricultural societies generally have more children than those in foraging or horticultural societies—to provide for additional labor—the time spent in childcare increases.
   c. On the other hand, processing of food is labor intensive and women do know how to do men’s jobs—they have to in case something happens to her husband and there is a labor shortage to work the fields.
   d. Still, Women’s position in society has suffered as a result of this shift in labor—see the Zinacantec in Mexico page 177.
e. Women’s dependence on men in agricultural societies is conditioned by the fact that the land is the primary productive resource and access to land is frequently through men.

f. When societies become more urbanized and families migrate to the cities, women’s position is affected—see the Mata Chico in Peru page 177.

C. The division of labor in society becomes more specialized and complex as the population increases and agricultural production intensifies.

1. Industrialization as an adaptive strategy requires the greatest specialization of labor
   a. Only a small proportion of the population is directly involved in producing food.
   b. In terms of efficiency and the ability to produce large quantities of goods, there is a price to be paid in terms of nonmaterial human values. Profit and self interest become the chief values

IV. French Anthropologist Marcel Mauss theorized that societies were held together by patterns of giving and receiving and that in many situations it is better to give than receive.

A. Reciprocity—the mutual give-and-take among people of equal status.

1. Generalized reciprocity—a distribution of goods and services with no immediate or specific return expected
   a. Carried out among close kin and has the highest degree of moral obligation
   b. Example, parents provide services to their children out of love or a sense of responsibility expecting from the child gratitude, love, respect, and the child’s happiness
   c. Foraging societies distribute meat among the kin group or camp where each person or family gets either an equal share or a share dependent on its kinship relationship to the hunter.
   d. Recall film of Inuit women distributing shares of meat based on kinship, each knowing what share they would get.
   e. Distributing meat gives a man prestige, shows his generosity and builds his credit for future reciprocity.
f. Has an adaptive function: One hunter and his family probably could not consume the meat from a large animal at one sitting.

2. **Balanced Reciprocity**—an exchange of goods of nearly equal value with a clear obligation to return them within a specified time limit
   a. Often called gift-giving, obscuring its economic importance in societies where it is the dominant form of exchange
   b. In these exchanges of wedding, birthday, gifts etc. it is always the spirit of the gift and the social relationship between givers that people say is important, yet an unreciprocated gift or a return gift of very different value—higher or lower in value—will evoke negative feelings.
   c. A refusal to receive or a failure to reciprocate a gift is taken as a withdrawal from a social relationship whereas a gift that is accepted puts the receiver under the obligation to the giver.
   d. This is characteristic of trading relations among non-western peoples without market economies
   e. See the Kula Ring—a pattern of exchange among trading partners in the Trobriand Islands—page 181

3. **Negative Reciprocity**—exchange conducted for the purpose of material advantage and is based in the desire to get something for nothing.
   a. May include gambling, theft, cheating or haggling.
   b. Characteristic of either impersonal or unfriendly transaction generally carried out by those who stand as outsiders to one another.
   c. Merchants of used goods, particularly cars and machinery, often have reputations for shady practices
   d. Tribal and peasant societies often distinguish between the insider, whom it is morally wrong to cheat, and the outsider from whom every advantage may be gained.

B. **Redistribution**—a form of exchange in which goods are collected from or contributed by members of the group and then redistributed to the group, often in the form of ceremonial feats.
1. Potlatch—a form of competitive giveaway practiced by the Kwakiutl and other groups of the northwest coast of North America
   
a. If the distribution of goods at the potlatch was inadequate the person who gave might suffer a loss of prestige or others may not accept his claim of rank
   
b. In state societies, Taxation is a form of redistribution

2. Leveling mechanism—a practice, value or form of social organization that evens out wealth in society.
   
a. prevalent in Central America where one family sponsors a celebration for the feast of a local saint and uses all its money to do so.
   
b. Function: ensures social goals along with economic ones. When the predominant view is one of scarcity, generosity becomes a prime value and accumulation of wealth for oneself has negative connotations.

C. Market Exchange—an economic system in which goods and services are bought and sold at a money price determined primarily by the forces of supply and demand.

1. Market Exchange is the principle distribution mechanism in most of the world’s societies today.
   
a. It is impersonal and occurs without regards to the social position of the participants
   
b. Social or political goals are usually less important than financial goals.

2. In the modern world, most societies that rely primarily on market exchange are part of capitalism—the economic system in which people work for wages, land and capital goods are privately owned, and capital is invested for individual profit.
   
a. a small portion of the population owns most of the productive resources or capital—12% of households owns 90% of the wealth in the U.S.
   
b. Most individuals’ primary resource is their labor
c. Capitalist—owners of the means of production make a profit twice: once on the item sold and second, on the wage given to a laborer.

d. Capitalism may occur within the context of all sorts of relationships and can make high levels of exploitation possible—see Turkey ethnography page 188-189

e. Expansion of capitalism globally has been accompanied by the wide-scale destruction of traditional societies

f. Capitalist societies have wide income differentials and the gaps within the society among the haves and have-nots continues to grow.