

P&B-Chapter 7, on Economics

Economics=Production-Consumption-Distribution

Karl Polanyi & 3 types of exchange:

- 1.) Distribution: Reciprocity (Reciprocal Exchange)
 - a.) to help a kinsmen in need
 - b.) to convert someone into a fictive kinsmen by
 - i.) creating a social relationship
 - ii.) maintaining a social relationship
 - iii.) strengthening a social relationship
 - iv.) obtaining products made by others-
but, "artificial scarcity"
 - c.) generalized=no one is keeping score, characteristic of early childhood
 - i.) Among Hunters & Gatherers, the principal form of exchange because most band members are primary kin
 - d.) balanced reciprocity, a return of roughly equal value, **but** an absence of bargaining
 - i.) Trade Partnership (the goods are the goal)
 - ii.) Long-Distance Prestige Trade (**not** modern bulk "commodity" trade); trade with **outside** for **internal** [political] reasons)
 - iii.) Gift-giving (the social relationship is the goal)
 - e.) Negative Reciprocity
 - i.) Everybody tries to gain an advantage, like the market, save no money available
 - ii.) Barter (simplest form=**Silent trade**)
- 2.) Egalitarian Redistribution
 - a.) Kwakiutl **numaym**=cognatic descent units support a "Potlatch"=ceremonial exchange
 - i.) population loss + fur trade and availability of Western trade goods produced an orgy of **destruction of property** anathama to early Capitalist Whites, hence the Canadian government prohibits in 1951
 - b.) Kula ring, Trobriand Islands (Melanesia)
 - i.) armbands counter-clockwise/necklaces-clockwise
 - ii.) exchange partners)=trading partners
 - c.) Often has the function of establishing peace or making an alliance (as in the Yanomamö feast), or, in modern society making a deal (lobbyists & businessmen)
 - d.) The Imbi have another example, the **pig feast**=**Moka**

which may happen every 5-6 years and the organizer, the **Big Man** like "Yombi" may receive 500 pigs to be given away in a 2-3 day feast, while other wealth is hidden.

e.) **Valuables**="Wealth Objects"* (instead of money are used, even when money is borrowed it is displayed, as in a **Moka**, like valuables, stuck on poles: These are "special-purpose" items of exchange, ex., **Kina**="Shell Money" or "Coppers"

"Social Distance" by Marshall Sahlins, who originated the types of reciprocity, will determine type of reciprocity employed; in growing up as a child you are in generalized reciprocity with your parents, as you grow up to an adult you shift to balanced, and as parents grow old you provide them with generalized reciprocity

3.) Stratified Redistribution

a.) where the agent keeps a "profit", as in **tribute**

b.) Another pre-Industrial State mechanism is **corvee** labor tax

b.) In modern states, **taxes** have become the form of choice

4.) Market system (place where goods/services exchanged for **money**)

Market economy (money + prices + supply & demand [if no 3rd party setting prices, which builds in **distorsions**] + profit)-

a.) **Limited purpose** money

b.) Multipurpose money

i.) Portability (Yap stone Wheel "Money" versus "Cash")

ii.) Divisibility

iii.) Legality

iv.) Anonymity

v.) Generality (**multi-purpose**)

*notice that "preciousness" isn't required

c.) Peasant marketplace

i.) Limited range of goods available

ii.) Marketing is a secondary activity

iii.) Goods are produced by peasants themselves

iv.) Circulating Markets

v.) Market Hierarchies

vi.) "Middlemen"=traveling or **peripatetic** merchants

e.g., the Otavalo Traders

"Mercantilism"-the joint stock company, like the Hudson's Bay Company, or, the last surviving one, Llyod's of London, the huge insurance agency.

This was 16th-18th century "early capitalism" where a wealthy group of investors pooled their capital and traded under the protection of the king, and then paid off the king in taxes.

"Capitalism"-the modern corporation as legal individual. This originated in the 19th century with the industrial revolution. The modern form is the "Multi-national Corporation" that transcends the power of individual governments and, in many ways, may be viewed as the real "governing" entities in the current World System.

"Impersonality of the Marketplace"*--comes from the Anonymity of money replacing kinship

Consumption

-consumption stimulates production in complex societies

Sidney Mintz & "Narcotic Foods", hunger for sugar in Europe stimulates plantation economy in Caribbean

