Book Review

Theory in Economic Anthropology

For many of the contributors to this volume, theory is a method for describing preindustrial societies, rather than a set of testable propositions derived from a model. Nevertheless, a number of the essays on different societies may be of interest to comparative economists.

Joseph Henrich presents a sophisticated argument against the use of cost/benefit analysis to explain peasant agricultural practices, such as systems of intercropping of corn and sorghum or of slash and burn. Using the results of various experiments in psychology, he argues the farmers do not have the requisite knowledge to make such analyses but rather rely on biased cultural transmission, that is, copying of the techniques of the most successful farmers in their area who do things slightly differently than the prevailing norm. Among other things, such an approach can explain the diffusion of innovations. He supports his arguments with data from Mapuche farmers in Chile and Machiguenga farmers in Peru.

Jean Ensminger reports on the results of playing the ‘dictator game’ and the ‘ultimatum game’ with the pastoral Orma of Kenya, an exercise which was part of a much larger project of experimental economics in a number of preindustrial societies to obtain quantitative information on societal norms. The conventional wisdom is that the populations in advanced capitalist societies are greedier or more self-interested than those in less developed economies, but she provides evidence from the large-scale project against this view, suggesting that ‘there appears to be more fair-minded or altruistic behavior in developed societies than in less-developed, small scale societies.’

In a study of the Kenyan Maragoli people, Edwins Laban M Gwako examines the relationship between property rights in agricultural land and the incentives for utilization of advanced inputs such as the government’s extension service, fertilizers and hybrid seeds. Decisive are not the formal property rights, which are held by men, but rather their arrangements for sharing the crop with their wives, who actually do most of the agricultural work. The higher their wives’ share of the crop, the more intense is their work and their use of advanced inputs.
Tim Earle argues that the amount of economic exchanges in chiefdoms does not correlate with the extent of political integration, as many argue, but with the nature of finance of the governing institutions. He uses examples from Hawaii and Denmark to show that if the society mobilizes foods and everyday technologies to support chiefs, craftsmen, warriors, and priests, then overall exchange is generally quite limited. By contrast, if the mobilized surpluses consist of wealth (such as particular goods or resources, tools, sacred objects, or military regalia), overall exchange is much more intensive and more likely to lead to the emergence of markets.

Finally James M Acheson has a first rate summary of the results of transaction costs economics and suggests ways that such an approach can be used in economic anthropology. He also notes, however, that no way has been developed to measure such costs and adds that this means no testable hypotheses can be formulated.

The remaining essays are probably of less interest to comparative economists. Several are primarily descriptive: Elena Obukhova’s and Jane I Guyer’s discussion of the formal and informal vodka trade in Russia over the last century; Karen Tranberg Hansen’s examination of the second-hand clothing markets in Zambia; and Deborah Winslow’s look at the impact of new roads and new technologies on a pottery-making village in Sri Lanka. Finally, some essays focus primarily on methodological or definitions of concepts: Robert C Hunt’s list of examples of various types of economic transfers; Duran Bell’s attack on Karl Polanyi’s definition of capitalism; E Paul Durrenberger and Nicola Tannenbaum’s discussion of the importance of Chayanov’s approach toward understanding the economy of peasant households; Jeffrey H Cohen’s ideas on how to analyze the impact of globalization on peasant villages; and Robert Wilk’s meditation on high- and mid-level theories in economic anthropology and consumer research.