

Fall 2001 Newsletter

Unsolved Problems in Economic Anthropology: Theoretical, Conceptual, Empirical

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At the Saturday banquet of an SEA meeting about a decade ago some of us at a table were considering the question: if there were a Nobel Prize for Economic Anthropology, what are the questions, and answers, that would warrant awarding the prize? As I recall, we had fun with the discussion, but nothing substantive sticks in my memory. Over the years, the question kept resurfacing. It strikes me that there a number of theoretical, conceptual, and empirical questions that are fundamental to our field, and which remain largely opaque in our analysis and thus are black boxes. This column will be devoted to presenting a short essay on one of these questions. I have offered to serve as editor (at least at the beginning), and to write some of the essays. I welcome essays offered by others, and responses to the columns already presented.

Household Management: Accounting and Planning¹

In much of the world most humans “live” in a household for substantial parts of their lives. Wilk (1989) and Barlett (1989) have called for more analysis of the intra-household economy. We have a number of accounts wherein the division of labor in managing the household economy is discussed (e.g., Stirrat 1989, Bautista-Vistro n.d., 2001), and this is to the good. But in addition to knowing this, it would also be good to know what exactly they do, and how they do it.

In this essay I want to focus on planning and accounting in the household economy.² In all households with a common budget and a common pot, products and/or money are acquired outside, and brought into the house. In the “foraging,” “horticultural,” and “peasant” systems of production, members of the household work and many of the products of that work are brought into the house. If there is wage labor or markets, then some of the money can be brought into the house. In some cases substantial amounts of product are made inside the house (woven textiles, pots, baskets, wood objects). When in the house, some of these products are stored, some are transformed into other products, some of the products are consumed, and some are exported from the house.

Members of the household, and at some times the household itself, often hold property rights to resources (land, forest, animals, crops, fishing spots, boats, etc.). These resources will be the location of work by members of the household, and perhaps by others. Members of one household may work on resources owned by other households, often under the direction of that other household. In many kinds of production there can be a period of weeks to years between starting production and having the product in hand. Consumption can be roughly divided into daily/weekly needs, special events (marriages, funerals, public ceremonies) and emergencies. In each case there can be long time

periods between the entry of the necessary goods into the house and the use/consumption of those goods.

One imagines that production could be planned by many of these households. Consumption as well is likely to be planned. It seems reasonable to expect that the planning for consumption is articulated with planning for production (although the results will rarely be perfect). “Household Management” includes any planning and accounting which may take place in households with respect to what is produced, consumed, and exported by the household. Our knowledge of this is fragmentary at best.³ Eric Wolf in his *Peasants* book (1966) spent some time writing on household funds, including replacement, ceremonial, and rent. His effort seems to have had practically no effect on subsequent ethnography. (See Wilk [1989] for a rare use of this framework.) Gudeman and Rivera (1990) refer to some accounting done by high-altitude potato growers in Colombia. Mayer and Glave (1999) recount some household accounting for the highlands of Peru. They mention three “ledgers” (gasto, plata, servicios) and imply a fourth – la base (taken from Gudeman and Rivera).

There are many households where at least some production must be planned well in advance of consumption/exchange. The household must hold stocks of products for considerable time periods and this implies an accounting activity in the house. The accounts of household money managers imply that there are specialists in the house for these planning and accounting tasks. The planning of production seems obvious. In swidden systems, there are household resources (mainly labor, but also land in various stages of forest and seed) needed for the next crop cycle. Surely the area of land cleared is not a random number. There are labor costs of clearing land, and labor costs for the subsequent stages of production (with weeding being particularly important). Surely most of these folks are planning how much land to clear, and surely that planning is a computation that includes the likely availability of labor for that crop cycle. Entering into the calculations may well be the product demand of a possible (or probable) marriage ceremony, or death ceremony. It seems highly likely that all agriculturalists are planning production for no less than the solar year ahead. The targets of production would seem a useful topic to investigate. Planning for production would very likely have to deal with uncertainty and risk, and identifying the folk concepts of kinds of uncertainties and risks might be attempted.

The time frame is another dimension that invites exploration. Households (and especially the managers) may use several time frames, from hours to decades, in the planning of investment, production, and consumption. Different asset bundles might dictate different portfolios of time horizons.

Every household responds to intra-household needs (consumption by members, replacement fund), but each also has the opportunity to respond to extra-household demands or requests. Members of linked households may request assistance (of labor, goods, money) and these must be considered. In the context of the closed corporate community in Mesoamerica, Wolf’s ceremonial fund is a mixture of demand and opportunity imposed by the community. Participation has some voluntary components.

Taxes levied by the state (for example, taxes levied on market vendors) and union dues are also extra-household demands.

That consumption could be planned for seems obvious. Daily consumption needs are clear, and many of the extra-household opportunities and demands are known in advance, at least in general terms. In the case of grain agriculture, the product becomes available over a short period at harvest and in large amounts. It is then partitioned into at least seed, human food, animal food, food for ritual, food for exchange, and food lost. A mental accounting scheme for these stocks is at least a possibility. Grain stocks must be dispensed in responsible ways if the household is to get to the next harvest in reasonable shape. The same will hold for cash, and for other consumable and marketable stocks. It seems highly likely that some individual is responsible for this storing, measuring, and dispensing.

As far as I know, we have no systematic accounts of planning for production, for planning for all the expenses of the whole household, or for the accounting concepts that are used. One wants to know who is involved in the planning of production, and the constructs used. For the disbursement side, one wants to know who does the measuring, what units of measure are used, and who controls how the stocks are dispensed and when. How much room for error is there? Is there a consciousness of error? How do people learn these skills? Are they taught by older people? Are these matters discussed with some frequency in the household? Does it make a difference for the attractiveness of a possible marital partner if he or she has good management skills?

Hackenberg, Murphy, and Selby (1984:213) argue that budget discipline has a large effect on the standard of living of poor households in Oaxaca, Mexico. Are household members aware of different capacities for planning in other households? Do variation in these management skills correlate with differences in survival of household members, or with differences in survival of the household, or political success? How does skill in management relate to maintaining or increasing or decreasing relative social and economic status? I have assumed that these skills and practices exist, and that we have not systematically recorded and published them. Is it possible that they do not exist in at least some cases? What are the consequences?

Secrecy where it exists will be a constraint on gathering data. Many report that prices, and cash flows, are difficult, if not impossible to determine. I do not know if material stocks are subject to these same constraints. If this is so, then we may be limited to investigating the categories used, and the division of labor. To go further and have information on amounts, and how the amounts relate to decision making would be wonderful. Further knowledge of planning and accounting in the household would lead to a better understanding of households, of microdemography, and of the economy and social organization of communities.

Notes

1. I thank R. Bukanc, S. Grigolini, N. Jha, D. Kaplan, G. Magid, M. Seifert, A. Todd, and C. Wooten for their constructive comments on an earlier draft.

2. There is now a literature contrasting the household as unitary actor vs. disaggregating the household into members who have their separate utilities, which are often in conflict. This is certainly an advance. At the same time, we need to be clear on how much of the activity of members of households is referable to the household as a unit, and the degree to which the household operates as a corporate unit. Presumably the two polar opposites, pure individual action, and pure joint action are rare. Most will be in the middle with a mixture of the two. This may vary with the stage of the developmental cycle. And there is no reason to expect that all households within a social and cultural framework operate with the same principles at the same time (see Wilk 1989).

3. What follows is a small set of references easily to hand, not the result of a systematic review of the entire household literature. If I have missed substantial accounts of household planning, I would be delighted to be so informed.

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Vodka and Spirit in the New Russian Economy

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Increasing alcohol consumption is one of the causes for the steady decline in male life expectancy in Russia. This has occurred despite government efforts to place economic constraints on the sale of vodka. For decades, the Soviet government had a monopoly on production and sale of vodka. Gorbachev's perestroika, however, included a campaign to create a "drier" Russia by limiting the sale of vodka to Russian citizens through a coupon system. Despite these efforts, illegal production of alcohol has increased, a black market for vodka has emerged, and the government has lost its monopoly over vodka. The changing economics of alcohol demonstrate the pervasiveness of vodka as a social, economic, and symbolic factor in post-Soviet Russia. In this essay, I discuss some of the informal economic behaviors surrounding the consumption, sale, and production of vodka and other spirits.

During my fieldwork in rural Buriatia, a Siberian region of Russia, I observed that drinking patterns among professional women have taken on forms once reserved for men. While working at an English Department in 1994-95, I took part in a tradition of *chaipit'e* (formal tea) on the last Friday of every month. Around 3 PM, instructors who were not giving lessons or grading oral examinations would begin arranging and setting the table with cakes, appetizers, fresh fruit, and several bottles of wine, champagne, and vodka. During *chaptit'es*, the collective celebrated personal milestones such as birthdays, marriages, births, and thesis defenses. Outside of this forum, drinking on the job was completely unacceptable. On numerous occasions during more recent fieldwork in Buriatia in 2000, I spent time with other predominantly female collectives during the workday. As with the *chaipit'es*, alcohol was an important part of the celebration of personal milestones. Unlike the formal teas I took part in during 1994 and 1995, women in these collectives would run out to the store for a second or even a third bottle during the middle of the afternoon when the mood struck them. This type of drinking was formerly culturally acceptable only among men.

Worsening economic conditions in much of Russia explain in part these changes in women's drinking behavior. Women often work in unheated, cramped offices with bad lighting and poor plumbing. In recent years, most women, particularly outside of regional centers, receive their salaries infrequently or are still awaiting back pay from several years ago. These women are disenchanted with the promises of "market reform" and "emerging democracy" so drinking alleviates their economic frustrations.

Unemployment also drives the increase in alcohol consumption. I estimate that the unemployment rate is around 30 percent in the formal sector of the Tunka region of Buriatia, where I spent nine months in 2000. Most “unemployed” people work informally in jobs in which they are paid with a few rubles, a hot meal, and a bottle of vodka or spirt (grain alcohol or alcohol spirits). Spring planting, fall harvesting, and annual remodeling are the most common jobs for which someone might hire labor. One friend sometimes hired her uncle and his friends to work on jobs around the house. She provided them with food and alcohol around four in the afternoon to ensure that most of the work was completed.

Although the sale of spirt is technically illegal, it plays an important role in the economics of alcohol. Vodka is extracted from bottles and replaced with watered down spirt; fake labels are made for combinations of spirt and water. In villages, spirt abounds in its pure form, sold out of people’s homes to be diluted with water before consumption. The consumption of spirt is usually a deliberate choice in rural areas. Those looking for an inexpensive way to get drunk can buy 200 milliliters of spirt for 10-15 rubles (roughly 30-50 cents) as opposed to a bottle of vodka costing 45-60 rubles (one and a half to two dollars). Cheap alcohol spirits are often of very low quality. They may be unrefined ethyl alcohol or industrial alcohol spirits used for cleaning machinery. Thus, the rise in alcohol-related deaths can partly be attributed to poisoning from cheap spirt.

Most of the grain alcohol, industrial spirits, and other forms of illegal alcohol that flow into Tunka originate in Irkutsk. This commodity chain reveals little-spoken-of ethnic tensions between indigenous Buriats in Tunka and Russians in Irkutsk. Successful industrialization in Irkutsk contrasts with an impoverished economy based on agriculture and forestry in Tunka. Some Russians from Irkutsk have become wealthy by exploiting the natural resources of Tunka. Many community leaders in Tunka see the alcohol trade as reflecting these unequal relations. They accuse Russians of first introducing vodka centuries ago and of subsequently maintaining an exploitative relationship by importing cheap spirt.

Recent Books by SEA Members

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Trager, Lillian. 2001 *Yoruba Hometowns: Community, Identity, and Development in Nigeria*. Boulder, Colorado: Lynne Rienner. (A companion video is available from University of Wisconsin- Parkside Instructional Technology, email pietri@uwp.edu.)