Savage Money
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Savage Money

The Anthropology and Politics of Commodity Exchange
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To

Judy, Polly and Melanie
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Preface

This book has been a long time in the making and I have incurred many debts. They begin with Alfred and Simeran Gell who introduced me to Bastar District, India. I first went there in 1981 for a few weeks and returned a year later for an extended fieldtrip as part of Alfred’s project on rural marketing in Bastar. This research was funded by the then SSRC (Social Science Research Council) of the UK. This funding gave me a two year (1982–83) research fellowship in the Department of Anthropology at the London School of Economics (LSE) and enabled me to spend 13 months in India learning Hindi and conducting field research. I am very grateful to these institutions for their support, to Alfred and Simeran for their friendship and generosity, and to my former colleagues at LSE for providing such a lively intellectual climate in which to work.

Prior to taking up the LSE fellowship I was a research fellow at Clare Hall, Cambridge, where my colleagues helped me in many ways. I am particularly grateful to Polly Hill who has taught me much about agrarian relations in the areas of India and Africa where she has worked. John Harvey suggested that *Savage Money* would be a good title for a book many years ago; however, it was only after I had written the first draft of this book that I recalled his suggestion and realised that *Savage Money* would be a fitting title.

In India I was based in the small market town of Kondagaon where I met countless people who were extremely generous with their time and assistance. I am indebted to our Dewangan, Dureja and other neighbours in Sargipalpara, the Muslim, Gujerati, Punjabi and Marwari shopkeepers in the main street, and the many merchants both big and small in the
weekly markets who fed me, talked to me, and travelled with me to the many markets in the local area. I am particularly indebted to Mali Guruji who taught me about village life in the Bare Dongar area. Particular mention must also be made of Jaidev Baghel, the founder of the Paramparik Bastar Shilpi Parivar (The Bastar Aboriginal Artisans Association) of Bhelwapadapara, Kondagaon. He was my host on a return visit to Bastar in the long vacation of 1989–90. Jaidev’s thoughts and practices have enabled me to appreciate, in a concrete way, some of the merits and problems of the Subaltern Studies approach to Indian studies. In Delhi Sunanda Sen, Ravi Chopra and Jo McGowan looked after me and my family, providing us with much material as well as intellectual sustenance.

In 1984 I took up a position as lecturer in Anthropology at the Australian National University (ANU). The Faculties Research Fund financed two short trips to India in the long vacations of 1985–86 (when I went to Rajasthan to follow up some family connections of Bastar-based merchants) and 1989–90 when I was finally able to return to Bastar. The pressures of teaching a range of new courses meant that my manuscript on the Bastar marketing system had to be confined to the bottom drawer. It stayed there for some time as I struggled to come to terms with the ethnographic literature on Indian society and the theoretical implications of the Subaltern Studies approach, the first volume of which came out in 1982. My thinking on this matter has been influenced by my colleague Ranajit Guha, the founder of the school. Ranajit and I have spent many hours discussing Indian society and culture and I have learned a great deal from him. I have also benefited from comments made by my colleagues at ANU who have given me much to think about as I presented various sections of this book at seminars over the years. Don Gardner and Leslie Devereaux have provided useful comments on some of the chapters. Nic Thomas read the whole manuscript through twice; his perceptive comments, and his thought-provoking writings, have enabled me to sharpen my argument.

A visiting fellowship at the Wissenschaftskolleg zu Berlin in 1994–95 enabled me to complete the final draft of this book. I am very grateful to the Rektor and his staff for the excellent working conditions provided and to colleagues Ram Guha,
Hans Medick and Amit Bhaduri for comments on some of the chapters. I am also indebted to Georg Elwert, Professor of Anthropology at the Free University of Berlin, for his assistance and encouragement. He read some of the chapters and supplied me with much valuable material on the shell money of the slave trade in West Africa.

Chapters VI and VIII are reworked versions of previously published papers (Gregory, 1988 and 1989); a version of Chapter VII has recently been published (Gregory, 1996).
CHAPTER I
The Value Question

THE ARGUMENT

Although this book reports fieldwork in ‘Tribal’ India (Bastar District) and includes a comparative analysis of shell money use in India, readers expecting to find a conventional anthropological study of ‘primitive money’ will be disappointed. I have chosen the title Savage Money to describe the period since 15 August 1971 when President Nixon was forced to shut the gold window in order to pay for the Vietnam war. This event, which broke the 38 year-old U.S. government pledge to foreigners to convert foreign U.S. dollar holdings into gold at the fixed rate of 35:1, is one of the many that contributed to what Lash and Urry (1987) call the End of Organized Capitalism. Savage money, then, is my way of talking about the beginnings of disorganised capitalism. Nixon’s wild dollar is the key symbol of this era. It signifies a decline in the power of the State to tame the forces of the market and a growing distrust among citizens of the world in the capacity of the State to act morally.

The U.S. government was the principal organiser of the postwar era of organised capitalism, a role it took over from the British government. The sign of any imperial organiser is the domestication of special commodities, such as gold bullion, silver bullion, or cowrie-shells, and the creation of a national standard of value that is convertible into gold at a fixed rate; in other words, the creation of token money that is as good as gold. This applies as much to world powers such as the U.S. as to regional powers such as the eighteenth century Dahomey slave state. World standards of value are, of course, the
standards of the dominant imperial power and when this political power begins to wane so too does the standard. One economic consequence of the Vietnam war, the most expensive in world history, was that gold quite literally escaped from Fort Knox. The U.S. government lost its power to domesticate gold and the so-called ‘invisible hand’ of the world market took control. Nixon’s action on the 15 August 1971, a highly symbolic one to be sure, marked the beginning of an era of monetary history that has few parallels in recent world history. Rarely has the value of gold, the supreme commodity from the beginning of commercial time, been able to vary freely on the world market for so long. For example, the value of the pound sterling was pegged to gold at a rate of £3.89 per ounce from the beginning of the eighteenth century to the First World War. The price then went wild for a brief time in the aftermath of the War. The price of gold rose to a height of £5.68 in 1920 but was eventually domesticated at £4.25 in 1925 by a state that had lost the power to maintain it at this rate. The subsequent rise in the U.K. price of gold—£7.10 in 1935, £8.60 in 1945, £12.55 in 1955, £14.60 in 1971—can be read as an index of the decline of the political power of the British Empire just as the fixity of the U.S. dollar price of gold over the same period can be read as an index of the relative strength of U.S. imperial power.

Gold, then, has escaped the domesticating forces of imperial powers for the longest period of time in hundreds of years—since 1497 to be precise—and has resumed its free commodity form. The world money markets have, as a result, gone wild. They have become casinos where the big players gamble billions. Free market anarchism, with its one-dollar, one-vote democracy, is in the ascendancy; its enemy, statism, is in the decline as evidence of the tyranny and corruption of the modern nation-state accumulates. The values of the free market are celebrated as never before. They have become the standard by which all others are analysed and judged. These values have not only permeated every nook and cranny of the globe, they are also dissolving the institutions of the old welfare state as water, sewerage, electricity, health, education, and the like are privatised. Not even the academy has escaped this commodification process. In Australia and England, for example, the language of the market has swept throughout
universities bringing about many changes in the daily life of academics. The social and economic policies of President Reagan, Prime Minister Thatcher and President Yelstin, implemented in the name of democracy and freedom, are the basis of this trend and these free market anarchist values are being enthusiastically embraced by political leaders in nations the world over.

The decline in the relative power of the state has coincided with a rapid rise in ethnic violence as minority groups struggle for power and recognition. The violence and terror between ethnic groups has reached such a level of intensity in the world today that some commentators argue it ‘is beginning to rival the spread of nuclear weapons as the most serious threat to world peace that the world faces’ (Maynes, 1993:5). The various calls to nationalism and ethnicity are idioms created in a larger realm of political actions. ‘Politicians in the Balkans and in other nations of the former Soviet Union,’ the anthropologists Desjarlais and Kleinman (1994:9) argue, ‘have cynically and murderously manipulated the ideas of ethnic dispute and nationalist threat in order to provide a new charter for old systems of power.’ Nagengast (1994:11), in his review of anthropological responses to these developments, has identified the paradox at the heart of the matter.

Since the Berlin Wall fell in 1989, twenty-two new global communities have been created, fifteen from the remains of the Soviet Union alone. There are over fifty ethnic conflicts now taking place, mostly within the confines of diverse nation-states—a veritable explosion of violence with the state lending the force of arms to one side or the other... At the same time there is an apparently contradictory trend, namely the globalization of capitalist economy and culture. These two trends—the fragmenting of illusory nation-states and the simultaneous homogenisation of culture—may only appear contradictory; the latter may be driving the former.

The era of savage money, then, is not only marked by the victory of the values of free market anarchism over statism, but also by the simultaneous emergence of divided cultures from the fragmented remains of once unified societies. These
changes are mirrored in the academy where the language of *culture* and *identity* has replaced that of *society* and the *individual* as the key terms in a new post-modern debate. The rise of American cultural anthropology at the expense of British social anthropology has not just shifted the focus of attention away from the explanation of the functioning of society to the interpretation of cultural diversity, it has transformed the nature of anthropological inquiry itself. ‘The 1960s at Chicago,’ notes Geertz, (1995:114) ‘redefined anthropology by placing the systematic study of meaning, the vehicles of meaning, and the understanding of meaning at the very center of research and analysis: to make anthropology, or anyway cultural anthropology, a hermeneutical discipline.’ ‘What looked once to be a matter of finding out whether savages could distinguish fact from fancy,’ he noted elsewhere (Geertz, 1983:151), ‘now looks to be a matter of finding out how others, across the sea or down the corridor, organize their significative world.’ This culturalist approach has been energetically developed by a younger generation of American anthropologists in the 1980s who see the *commodity* as a universal cultural form that has a social life and a biography. Society, then, is no longer conceived of as an institutional form but as a reified attribute of things; the problem is no longer one of constructing social types but that of deconstructing cultural collages. Some critics of this post-modern trend in anthropology have noticed that this new approach has flourished in the conservative era of Thatcherism and Reaganism; but they also note that there is no reason why these new modes of thought should necessarily be seen as conservative (Keesing, 1994:307). Is this new definition of anthropology a creative response to the era of savage money or an expression of it? Questions like this have no simple answer but they must be continually raised and debated if the critical humanist tradition of anthropological thought is to survive and develop.

An anthropological inquiry must begin with unity, not difference. Furthermore, this unity must be an historically informed anthropological argument, not a psychological assumption about the ‘psychic unity of mankind’ or an argument from biological anthropology about the distinguishing characteristics of human beings. The forgoing
argument about savage money is my premise. Historico-
anthropological premises of this kind are, of course, 
questionable. As such, any conclusions drawn from them are 
also doubtful. This doubt is of the pre-Cartesian humanist kind 
rather than of the Cartesian mathematical variety. The former 
arises from dialectical questioning of a type that may lead to 
rival cognitions and unresolvable antagonisms. Cartesian 
doubt, by way of contrast, is eliminated by the assumption of 
an ahistorical axiom. Historico-anthropological premises have 
a planned obsolescence because they require constant revision 
in the light of new historical conditions. While such premises 
are useless for a mathematician, they are the essence of 
anthropology. Mathematics, the study of dead forms, must 
begin with axioms; anthropology, the study of living human 
beings, must begin with history.

The economic polity of the world today is of such 
complexity that it lies beyond the comprehension of any 
scholar; so too for that matter is the economic polity of a 
village or even a household, as Paul Radin reminds us. However, it is not only possible to gain some understanding of 
the values that people invent to make sense of the world, it is 
imperative that we do so. Values describe and prescribe. Our 
parents and grandparents created the values which we live by, 
while we, as parents, create the values we expect our children 
to live by. People, then, are both subjects and makers of the 
values that guide human actions and influence human destiny. 
The value problem arises because people have different values 
and those of the dominant usually, but not always, triumph at 
the end of the day. For any given historical period and region, 
then, a limited range of values are in the ascendancy. These 
values give a time and a place its recognisable cultural unity.

The values of the free market anarchists are in the 
ascendancy in the world today. Their reach is global even if 
they are not everywhere accepted. As such the cultural unity 
they give rise to is historically specific rather than universal. 
These values are seen as good by those in power whereas 
statism is increasingly seen as bad. Thus, in the realm of 
economic policy, it is the Friedmanites who have the ear of the 
minister today, not the Keynesians. The institution of the 
Market, not the State, is the favoured means of achieving 
freedom, liberty and equality at the end of the twentieth
century. It has not always been this way. When the word ‘state’ first appeared in sixteenth century Europe its value was positive because it offered a way to organise populations in secular, non-pluralist terms. But four centuries and many abuses later, Desjarlais and Kleinman, (1994:9) note, ‘many now tend to think of the state as something innately repressive and evil/ If the U.S. dime has two sides, with ‘heads’ symbolising the power of the state that makes tokens and ‘tails’ the market that converts money into a commodity with a price, then the savage dime has a bias that makes tails the better bet today. Moreover, the coin is not only being spun at Wall Street and other major financial centres but also in the towns and villages of the world. Even the Trobriand Islands, which anthropologists like to represent as a money-free zone, has its spinners. The university educated Trobriander of today has not given up the values of kula exchange but has acquired those of the international businessman. Kula is now done at the weekends in Port Moresby with the aid of Mercedes Benz cars; during the week deals are struck with European and Asian businessmen for the sale of gold, timber and other natural treasures of Papua New Guinea. On the island itself villagers, as we shall see in the next chapter, make sharp distinctions between gift values and commodity values, have developed rituals and ideologies to express these differences, and constantly switch between them according to pragmatic needs.

My subject is standards of value rather than money as such. Books that begin with a definition of money eliminate the most interesting question the subject poses, that of how different people define money to suit the pragmatic needs of the specific situations they find themselves in. The various definitions of money that emerge from these different situations all raise the general question of value because to define money in one way or other is always to adopt a standard of value of some sort. But how many standards of value are there? How are they related? What are the political implications of rival conceptions? My aim is to approach these questions concretely by means of an analysis of the way certain people value certain material objects in an era of savage money. The objects I consider are farmland, rice, Indian rupees (Rs), U.S. dollars ($), cowries, silver, and gold. Even though I report fieldwork
done in central India, this book is not an ethnography in the conventional sense of the term. The data I present is partial rather than holistic, multi-sited rather than village-based, multi-timed rather than ethnographically present, compared, contrasted and generalised rather than specified, particularised and differentiated. In other words, I present my case material in the form of exemplars using an historically informed comparative method to elucidate a general argument. This, as I see it, is the essence of historical anthropology. As a method it differs from that of anthropological history which is concerned with an in-depth temporal study of one local area. I make no claim for the superiority of the method I have adopted because, in my opinion, the choice of a method is governed by the problem in hand.

Approaching the question of value in this way has its problems but these are not those in which the old debates have been framed: ‘tribe’ versus ‘peasant’, ‘peasant’ versus ‘capitalist’, ‘class’ versus ‘caste’, and so on. The value perspective enables one to dissolve, rather than resolve, the problems posed by these categories. It does this by posing new problems in a different theoretical language. Values involve both the is and the ought, the fact and the norm. Values determine the question posed, the mode of description, the evaluation of that description, and the normative judgements that follow. Values are often equated with ought, the norm or moral, and separated from is, the fact. I do not see it this way. For me fact and norm are parts of a dialectical unity mediated by value, something I will elaborate on in the next section of this chapter.

My antithesis is free market anarchist values. I question the explanatory adequacy of anarchist theories and their tendency to subordinate is to ought in the advocacy of their case. While I provide some evidence to back up these assertions, my main concern is to be positive rather than negative, to argue my own thesis rather than counter someone else’s.

My thesis has alternate values as its thematic content. I am not concerned to defend statism as against anarchism but, rather, to affirm the coevalness of rival value systems and to ponder the implications of this for an anthropologically informed theory of value. Anthropology’s great contribution to the history of value theory has been to record, and to a certain
extent celebrate, the existence of alternate value systems. If the values analysed by the statists and the anarchists can be said to those associated with the institution of the Market and the State, then the alternate values described in the ethnographic archive are those associated with the House. If political economy has been concerned to analyse the implications of the general principle that to make a profit one must buy cheap and sell dear, then anthropologists have been concerned with the implications of what Nelson (1969) calls the ‘Deuteronomic double standard’, the idea that you Take profits from the Other not thy Brother. The notion of the House, like that of the State and the Market, is an abstraction from a wide variety of historical and geographical forms; but what differentiates the values associated with the institution of the House is that they spring from reciprocally recognised relations of consanguinity, affinity, and contiguity. The content of such values is a matter for historical and anthropological investigation, as are the rival cognitions that result from asymmetrical recognition.

I am not concerned to celebrate the alternate values associated with the House but, rather, to subject them to critical analysis. These values divide, in the first instance, into superalternate and subalternate values. The former are those of the master, the landlord, the husband, and the parent; the latter the values of the slave, the tenant, the wife, and the child. Because a parent is necessarily also a child of another and contingently the master or slave of yet others, these binary concepts do not define an unambiguous ethnographic classification. Nor do they define a ‘continuum’, the favoured image of the anthropologist opposed to binary thought of the kind I will use, and defend, in this book. A person is never ‘half’ a slave, although it is possible for a relatively well off slave to be the master of another as the history of Mali illustrates.

People create multiple value systems for themselves and are constantly switching between them according to the dictates of the moment. Sometimes these dictates are principled, sometimes unprincipled. Human beings are never trapped in a single set of values and this applies as much to a Rockefeller as it does to an Ongka in the highlands of Papua New Guinea. The latter is able to distinguish between money-values and
gift-values as well as the former, but it is one thing to know that profits are made by buying cheap and selling dear but quite another to put these values into practice. Switching, then, has its limits. You have to choose your ancestors carefully if you want to make money and to give gifts like a Rockefeller.

To affirm the coevality of rival value systems is to assert the primacy of commonplace contradiction. This contradiction may be antagonistic or non-antagonistic. In Indian logic the opposition between the mongoose and the cobra is the image used to illustrate antagonistic contradiction (Stcherbatsky, 1962:407). These two animals are natural enemies and when one strays onto the territory of the latter a deadly battle invariably ensues in which the mongoose usually, but not always, wins. Contradiction of this kind holds generally rather than universally, that is, within historical and geographical bounds rather than eternally and everywhere. Commonplace contradiction of this kind lies at the heart of Guha’s (1983a) theory of peasant insurgency where the ‘mongoose’ takes the three-headed form of sarkar, sahukar and zamindar, government, money-lender, and landlord. An example of a non-antagonistic commonplace contradiction is the opposition between the eaglehawk and the crow found in Australian Aboriginal thought (Radcliffe-Brown, 1958). Non-antagonistic contradiction is much discussed in anthropological circles, antagonistic contradiction hardly at all. Dumont’s (1980a) theory of caste, for example, has non-antagonistic contradiction as its centrepiece. He contrasts this with axiomatic contradiction—the idea that nothing is both, say, a snake and a not-snake—which he claims is at the heart of ‘Western’ thought. The fact is that commonplace contradiction and axiomatic contradiction are coeval both in ‘Western’ thought and in ‘non-Western’ thought; thinkers like Dumont deny this coevality. Fabian’s (1983) critique of this style of anthropological thinking issues a challenge that must be confronted. According to him (1983:29–30),

the idea of Physical Time is part of a system of ideas which includes space, bodies, and motion. In the hands of ideologues such a time concept is easily transformed into a kind of political physics. After all, it is not difficult to transpose from physics to politics one of the most ancient
rules which states that it is impossible for two bodies to occupy the same space at the same time. When in the course of colonial expansion a Western body politic came to occupy, literally, the space of an autochthonous body, several alternatives were conceived to deal with that violation of the rule. The simplest one, if we think of North America and Australia, was of course to move or remove the other body. Another one is to pretend that space is being divided and allocated to separate bodies. South Africa’s rulers cling to that solution. Most often the preferred strategy has been simply to manipulate the other variable—Time. With the help of various devices of sequencing and distancing one assigns to the conquered populations a different Time.

To affirm coevalness is to oppose those who deny it. If Fabian (1983) is right, then my position places me at odds with many people in the profession. It gives me comfort to observe that many Fabian-type critiques of anthropology appeared simultaneously in the 1980s and 1990s. The turn to history in the works of scholars such as Wolf (1982), Mintz (1985), Thomas (1991) and many others has established a tradition of thought with which one can identify. My own book, Gifts and Commodities (1982) was also part of this movement even though I did not use the language of coevality. The fact that my book was based on ‘coeval’ ethnographies such as Marilyn Strathern’s important, but neglected, No Money on our Skins (1975) is further evidence that not all ethnographers deny coevality. Nevertheless, Fabian has identified a dominant theoretical value in anthropological discourse that continues to this day.  

Gifts and Commodities was, as the title suggests, an attempt to affirm the coexistence of gifts and commodities in colonial Papua New Guinea but, much to my astonishment, has been read by some as an attempt to do precisely the opposite. Savage Money attempts to develop the arguments in Gifts and Commodities. I reply to my critics and extend the argument by moving the ethnographic focus from Papua New Guinea to India, the conceptual focus from gifts and commodities to commodities and goods, and the methodological focus from the library to the field. I have also revised my thinking in the
light of theoretical developments in the eighties. In my opinion Ranajit Guha’s *SubalternStudies* approach to Indian studies, the first volume of which appeared in 1982, is the most significant theoretical event of that decade. His work is, of course, particularly salient to someone who has carried out fieldwork in India. While Guha’s thought has inspired me in the writing of *Savage Money* I have not felt obliged to follow the post-modernist direction of recent work in the Subaltern Studies school.\(^{20}\) argue for a rehabilitation of the radical humanist tradition of thought and I read the historical work of Guha, and the anthropological work of Das\(^ {21}\) and DaMatta,\(^ {22}\) as steps that lead in this direction. I am not concerned with what Guha ‘really meant’ and nor do I think that this is an interesting question. There are many implications of his work and these should all be pursued. He has quite literally changed the terms of debate in Indian studies and his approach to the question of value has implications that go far beyond India. Guha has replaced Dumont as the *bête noire* of Indian studies and, like it or not, he is now the *Rahu*\(^ {23}\) with whom anthropologists must do battle.

What, then, are the generic characteristics of those who deny coevality? From the radical humanist’s perspective, they are not only the old schools of anthropological thought Fabian identified but also, somewhat paradoxically, the new ‘cultural collage’\(^ {24}\) school who strives to affirm coevality using the language of ‘cultural construction’. These culturalists speak of disjunctures and differences in the global cultural economy rather than the paramountcy of free market anarchism, of diverse cultures rather than contradictory values, of shared meanings rather than rival cognitions, of juxtaposed fragments rather than commonplace contradiction, and of the social life of things rather than human relations between people. The radical humanist does not deny the existence of shared meanings but affirms the coexistence of the rival cognitions. For example, ‘Waterloo’, as James (1907:118) notes, spells a ‘victory’ for an Englishman but ‘defeat’ for a Frenchman; a peasant rebellion, notes Guha (1983a:89) quoting Mao Tsetung, is judged ‘terrible’ by the landlord class and ‘fine’ by the peasants. Thus affirmation of coevality, to pursue Mao’s example, involves a move from the *meaning* of values such as the ‘It’s terrible’ of the landlords to the *question* ‘Is it terrible?’
The analyst notes that the answer ‘It’s fine!’ belongs to the peasants and that the commonplace contradiction between the two rival cognitions leads to equivocation rather than shared meaning. The next step is evaluation of the contradiction and, finally, to action, be it with pen or sword. Commonplace contradiction does not imply incommensurability. To get the measure of the human values behind these contradictions one must move from an analysis of the dominant culture to the analysis of the power relations between valuers. These can only be revealed if the premises of one’s analysis are concrete, that is, if the premises are anchored historically, geographically and anthropologically in pre-Cartesian doubt. General theoretical conceptions are needed for this analysis but these must not be confused with ahistorical abstractions on the one hand and ethnographic classifications on the other. Concepts are the instruments of any thought and all thinkers need them if their thought is to be clear. Post-modern anthropology has done much to rehabilitate pre-Cartesian rhetoric but the tools of pre-Cartesian commonplace logic are in more urgent need of rehabilitation. Just because the world we study is full of muddles and contradictions it does not mean that our theories about it should be. The muddles we are confronted with today demand the skilful use of binary logic (of the humanist kind), not its abandonment as the culturalist argues.

Notwithstanding these differences, then, the radical humanist recognises the culturalist as a worthy adversary, as one from whom it is possible to learn a great deal about the human condition and, above all, as one with whom it is necessary to debate. Indeed, of all the schools of thought that contend in the discipline of anthropology today, the culturalists of the collage school are the most deserving of critique because they have done more than most to confront the fin-de-siècle problems of the savage money era. The culturalist is to be distinguished from the free market anarchist. The latter has little knowledge of cultural difference and certainly no tolerance for it. They use their own unexamined values to construct a problematic notion of culture that is used as a standard by which others are judged—always negatively of course. They are so ignorant of alternative values that they do not know how ignorant they are. Nor have
they any tolerance for debate. They have a universal theory of what ought to be which is very attractive to the person who likes simple solutions to the world’s problems. The anarchist is unable to see that simple solutions are part of the problem. If the culturalist is the humanist’s adversary on some issues, then both are united in their opposition to the free market anarchist.

Having outlined my argument in very general terms, and having signalled my intention to argue from the perspective of value theory rather than culture theory, it remains for me to define the term value in a little more detail as a prelude to outlining the scope and limits of this book.

**WHAT IS VALUE?**

Values are those invisible chains that link relations between things to relations between people. They are invisible in the sense that they are, first and foremost, forms of human consciousness that describe what is and prescribe what should be. As descriptions they clarify the relations between the reproduction of things and people in specific historical, geographical and social settings; as prescriptions they guide the actions taken to transform a found chaos into a desired order, or, what amounts to much the same thing, to reform an existing state. For a value system to operate effectively there must be a generally accepted standard of value because valuation is essentially a comparative process by which two unlike entities—be they commodities in the market, gifts in the *kula* ring, or castes in India—are compared and judged to be the same or different with reference to this standard. Standards of value are generally accepted but never universally so. This is because people are endowed with a potential, not always realised, to question the reasonableness of authoritative judgements. For the humanist, the essence of the value creation process is human consciousness. This refers to the reciprocally recognised relations between people in concrete historical, geographical, and anthropological settings. Human valuers are the means by which values exist. Material objects of use to people, such as land, rice, rupees, dollars, cowries, silver, and gold, are transformed into marked social forms such as *gifts, commodities, and goods*, and the process through which
they acquire these values are institutions such as the Market, the House, and the State.

The House, following Rodgers (1985:55), can be defined as a corporate body who owns an estate consisting of land, tools and livestock, and intangibles such as family stories, names, titles, religious powers, and character. This definition, an extension of Lévi-Strauss’s (1984:151–52) notion of the House to southeast Asia, applies equally to India and possibly many other places as well. What characterises the House in India is the overlap between House and Market. The bookkeeper of the Indian merchant family, for example, mixes the cost of religious rituals, dowries, and jewellery with business accounts, ‘as if they were one and the same thing’ (Cottam Ellis, 1991:104). But this does not mean that these families are unable to distinguish between the valued objects that pass through their hands. A material object such as silver is now a commodity, now a gift, now a good depending upon the specific context of a transaction. If commodities are those values that arise as things pass from House to Market, then gifts are those values that pass between Houses and goods the inalienable keepsakes that are stored within a single House. ‘House relics,’ notes Rodgers (1985:55), ‘are crucial in this type of culture for they condense a great deal of feeling about the family’s ancestry, social position, and future prospects into an observable and subjectively quite beautiful form.’ A commodity purchased on the Market for money acquires new values as it is stored, hidden, praised and ritually manipulated within the House where it becomes a good.

The distinguishing feature of the State is the token money it creates. These tokens are created by marking commodities such as gold, silver, copper, or paper with a sign such as $, £, ¥, Rs and recognising the product so created as legal tender within a clearly defined territory. Thus the Australian dollar only has currency in Australia, the rupee in India, and so on; but imperial monies can acquire wider currency through a combination of coercive state policy and free choice on the part of households. The aim of the State is to create a single uniform standard of value but this objective quantitative standard often does not hold in the House where state tokens may be re-marked in a multitude of visible and invisible ways as they become subject to the laws of the House. A paradox in
the monetary history of the U.S., revealed by Zelizer (1994:17), illustrates this point. She shows that while the state and the law worked to obtain a single national currency over the period 1870 to 1930, people actively created all sorts of monetary distinctions. As money entered the household its use became the subject of domestic standards of value and it was re-marked in various ways. This process converted a generalised quantitative standard into multiple specialised qualitative standards. In one case quoted by Zelizer (1994:39) a housewife used eight tins that were labelled groceries, carfare, gas, laundry, rent, tithe, savings, and miscellaneous. Another example (1994:71) comes from the 1909 issue of *The Ladies’ Home Journal* where women are given instructions on how to disguise money given as a gift so that it would not seem like a commercial transaction. This domestic ‘earmarking’ of money, as Zelizer calls it, was fuelled on the one side by the consumer revolution and rising disposable incomes, and on the other by changing gender relations within the household as women struggled to gain control of the household income. As one observer put it in 1928: ‘more quarrels between husband and wife have been started by the mention of money than by chorus girls, blond waitresses, dancing men with sleek hair, or traveling men’ (Zelizer, 1994:37).

To affirm the coevality of multiple standards of value, then, is to recognise the paradox of diversity within uniformity and this applies as much to the House in the U.S. as it does to the House in the colonies. The value question can be approached in one of four ways: the power *by which*, *from which*, *through which*, and *on account of which* value exists. Theories of value, themselves meta-values, can also be classified in this way. Symbolists focus on marks and their meanings, institutionalists on the formal processes of valuation, materialists on the ecology and technology of production, and radical humanists on the relations of reciprocal recognition between the valuers. Humanists do not deny the importance of the other approaches but they do see them as secondary. But they are not the only theorists who recognise the primary importance of the human valuer: the free market anarchist, the Marxist and the humanist all agree on this point. Wherein, then, lies the difference between these three approaches?
Psychology, rather than history or anthropology, is the starting point for the free market anarchist. They give primacy to the problems of choice faced by the pusher of the supermarket trolley. The focus, then, is on *individual cognition* rather than on human relations. The distinguishing feature of the classical Marxist is the focus on *class consciousness* and, in particular, on the proletarian consciousness of the factory worker. The humanist does not deny the relevance of individual cognition or class consciousness but notes the limitations of an approach to value that views the world from the perspective of the supermarket or the factory floor. The humanist anthropologist focuses on *reciprocal recognition* and, in particular, on reciprocally recognised relations of consanguinity, affinity, and contiguity. This focus of kinship, marriage, and household politics is as much an artefact of the fieldwork method as it is a philosophically standpoint. Historically speaking, anthropologists have tended to work with rural dwellers rather than urban industrial workers with the result that the site of most of their observations of human life has been the hearth rather than the supermarket or the factory floor. My own fieldwork is no exception to this general rule. Many anthropologists, Wolf (1982:12ff) has noted, have tended to transform this methodological imperative into high philosophical principle. It is important, then, not to give a spurious primacy to the House; equally, it is important not to be fooled by the claims of the anarchists and Marxists that their perspective is somehow privileged. Anthropologists have made an important contribution to the theory of value but this can only be appreciated if the methodological limitations of the fieldwork method are seen for what they are. In what follows I will attempt to outline the distinguishing features of the anthropological approach as a prelude to developing a constructive critique of it.

The ascendancy of free market anarchism is an expression of the fact that the Market has emerged as the most politically significant institution of valuation in the world today. The State and the House are still important but less so. If the world market has colonised the globe and become transnational, then the various national states have divided and occupied every square inch of land on it. The territoriality of the House, by contrast, is local and subject to the laws of a state. Theories of
value that limit themselves to a consideration of the Market and the State are, not surprisingly, the most influential theories of value today. Thus most of the debates about value usually centre on notions of class consciousness or individual cognition rather than on reciprocal recognition. I begin, therefore, with a discussion of the former two.

The logic of market valuation is quantitative and mathematical and it goes as follows. Suppose that one Rupee (Rs 1) can buy 1 kg of rice or 6 glass bangles. This fact can be represented as two equations of the following kind:

\[ 1 \text{ kg rice} = \text{Rs 1} \quad (1) \]
\[ \text{Rs 1} = 6 \text{ bangles} \quad (2) \]

These two equations can be viewed as the premises of a syllogism that implies a quantitative exchange-ratio between the heterogenous objects of the form:

\[ 1 \text{ kg rice} = 6 \text{ bangles} \quad (3) \]

This quantitative relationship between things poses the question of the relationship of the things to the people who value them. An answer to a question of this kind is a theory of value that describes the functioning of the invisible hand of the market and prescribes what people should be doing about it.

For Marx values of the kind in equation (3) arise only when things become commodities. Exchange-values of this kind are the fetishised form of relations between wage-labourers and capitalists in the sphere of factory production. The invisible hand of the market belongs to the capitalist who expropriates the surplus-labour of the worker. The workers, for their part, are proletarians who are obliged to sell their own labour on the market in order to survive; these people are not free individuals, but, as the term proletarian suggests, unfree members of a propertyless class. This labour becomes embodied in commodities during the production process and it is the abstract form of this labour, which reduces all differences in quality to one of quantity, that enables two heterogenous things to be compared and valued.

The hidden logic of the equations above, then, is a labour valuation system that equates the hours of abstract labour required to produce the 1 kg of rice with the hours of abstract labour required to produce six glass bangles. If this amount of
labour time is, say, six hours, then the heterogenous mix in equation (3) is made possible by an homogenous equality of the following kind:

6 hours labour embodied in rice = 6 hours labour embodied in bangles

(4)

This particular form of the labour theory of value, which has its eighteenth century origins in the work of Adam Smith (1776) and its twentieth century destination in the work of Sraffa (1960), not only explains prices, it also explains wages and profits in terms of the historically specific mode of exploitation that is capitalism. The implication of this for Marx was not so much that surplus-labour be abolished but that its control be placed in the hands of those whose labour it was. That is, the expropriators should be expropriated and the ownership of the means of production placed in the hands of the producers.

This theory of value, then, has class consciousness as its ideological basis and versions of it have informed the official theory of the various nations of the Second World in the twentieth century. In the First World, by way of contrast, official theory has been informed by a radically different theory of value that rose to dominance in the 1870s at the expense of the labour theory of value. This theory has individual cognition as its ideological basis and its basic tenets are exemplified by the work of Milton Friedman who draws political conclusions from the theory that are as conservative as Marx’s are radical.

For Friedman a relation between things, such as equation (3) above, is conceptualised using the language of goods rather than commodities. This language is highly significant because it is the mark of a radically different theory of value. It means that the market and everything associated with it, such as ‘use-value’, ‘prices’, ‘Wages’, ‘profit’, are conceived of in a completely new way which reflects the move from class consciousness to individual cognition. Take the notion of ‘utility’ for example. This is the foundation of the whole theory for it is the balancing of marginal utilities that gives rise to exchange-ratios of the ‘1 kg rice=6 glass bangles’ kind. Individuals, Friedman holds, are confronted with an economic problem when their wants, which tend to be unlimited, exceed
their limited means. Faced with hundreds of kilos of rice, thousands of bangles, and many other things, how does a buyer choose between the competing ends? Is the decision purely random and haphazard, in strict conformity with some customary, habitual mode of behaviour, or a deliberative act of choice? The latter, says the economist. Utility is the common something that enables two heterogenous things to be compared and valued so that a choice can be made. The act of deliberative choice means that individuals seek to maximise utility and it is the marginal utility of one good relative to another that determines how good a good really is. Should I buy half a kg of rice and 9 bangles or some other budget-constrained option consisting of more rice and fewer bangles or less rice and more bangles? The balance of marginal utilities lies at the basis of the choice because the more one has of something the smaller the marginal utility becomes. The aggregate of these choices constitutes the market signals that serve to optimise efficiency of the market system as a whole. Thus private greed leads to public good and the magic of the market brings about the transformation.

The essence of this approach is best seen in terms of the ancient paradox: Why are diamonds so much more expensive than water when water is much more useful? The classical writers such as Smith and Ricardo rejected the utility theory of value in favour of a labour theory because use-value could not explain this paradox. Friedman (1962: 39) copes with the problem by distinguishing between marginal utility and total utility: ‘the marginal utility of diamonds can be very high (because diamonds are very scarce) relative to the marginal utility of water (because water is very abundant) and, in consequence, the price of diamonds can be high relative to the price of water; and yet the total utility of water can be much greater than the total utility of diamonds.’ Total utility is what the classical economists called usevalue, a notion whose meaning is, in this example at least, the opposite of the marginal utility notion that underlies the theory of goods. To discover the use-value of something is the work of history. To discover marginal utility, on the other hand, one must study the individual preferences of a consumer and the natural scarcity of the objects from which the individual has to choose; this is the work of psychology.
Thus for Friedman, the common something that lies behind the valuation process in equation (3) is marginal utility; this standard of value is based on equalities of the form

$$\text{marginal utility of rice} = \text{marginal utility of bangles} \quad (5)$$

An important distinction of market valuation theory is that between money prices and real prices. Equations (1) and (2) above are examples of the former, and equation (3) an example of the latter. The distinguishing feature of Friedman’s approach is the missionary zeal with which he advocates the quantity theory of money approach to money price determination. The elements of this theory are extremely simple and it has won over many adherents who have been seduced by its apparent obviousness. For Friedman (1962:245) the stock of money is one of the three main categories of capital in a place like the USA, the others being material capital, such as buildings and machines, and human beings. (Note that this positivistic conception of capital conceives of workers as a species of capital in their capacity as individual human beings and that it has nothing in common with Marx’s conception of capital as a social relation between classes.) The stock, or quantity, of money is the determinant of money prices for Friedman. His argument goes as follows: ‘Consider two societies which are alike except that in one there are twice as many pieces of paper, each labelled one dollar, as in the other. The only effect will be that nominal prices are twice as high in the first as in the second society. The total stream of services from the stock of money is the same in the two societies’ (Friedman, 1962:245). The policy implication for Friedman is that social welfare is maximised when the market is given an unfettered run. Governments should not intervene in the market except to ensure that the stock of money which comes off their printing presses is just sufficient to meet the growing demands of new trade. Marginal utility theory has also been used to develop more statist policy conclusions of a Keynesian type but Friedman, the guru of free market anarchism, has assumed Keynes’s crown and Chicago has replaced Cambridge as the seat of the new reign.

This brief discussion of the theories of value of Marx and Friedman is sufficient to establish that what is sometimes loosely called ‘Western ideology’ has, at the very least, two
radically different meanings. It is not a matter of materialism versus idealism but a battle of ideas that has its political expression in the wars, Cold and otherwise, that have dominated world politics for most of this century. There is, of course, the world of difference between the theory of value of a thinker and the official theory of a nation; but the fact remains that First World Nations have found Friedmanite-type theories compatible with their goals whilst Second World nations adopted some form or other of Marxism. The collapse of communism has thrown Marxist theory into crisis and unleashed a further rapid expansion of free market ideology. Not only is it rapidly conquering the former Second World, whose policy makers naively see it as the panacea to all their ills, but it is also intensifying its grip in the First World where public services such as electricity, water, sewerage, communications, and even education have been sacrificed to the ideology of the free market. Free market economists see the collapse of communism as a vindication of their advocacy of the market as the most efficient allocator of resources. Choice theory is now applied to anything and everything: family life, child rearing, dying, sex, suicide, crime, politics, ecology,—you name it, nothing is excluded. Chicago school theorists even argue for a free market in babies to overcome the problems of irregularity in adoption procedures, dismal foster care, scarcity of white babies and surplus of black babies, and excessive abortion (Wolfe, 1989:37). This has prompted many critics to label them ‘imperialists’, an apt term for what is at stake here is the expansion of a theory that mirrors the history of the all conquering market. The Friedmanites are free market missionaries who have a moral answer to give rather than a theoretical question to pose. Wolfe (1989) brings this out very clearly in his insightful analytical review of modern economic thought. Choice theory, he rightly notes, is based on the notion of optimality. The balance of marginal utilities in equation (5), for example, is the optimal result that comes from maximising utility subject to the constraint of a budget. ‘If the notion of optimality makes little sense scientifically,’ notes Wolfe (1989: 34), ‘it makes a great deal of sense morally.’ By upholding an ideal standard against which actual behaviour can be found wanting, the notion of optimality asserts the primacy of what ought to be over what is.
Wolfe charges Marxism with the same moral crime, arguing that the notion of ‘false consciousness’ does the same work as that of ‘optimality’. Whatever the merits of this critique it is clear that, from an anthropological perspective, the consciousness of some Marxists is questionable. This becomes glaringly obvious when they write about the so-called ‘peasantry’. Consider the words of Hobsbawn, England’s greatest Marxist historian who, in his latest book, refers to the rural population of the U.S.S.R. in the 1920s as ‘a collection of peasant and animal herding peoples mentally living in the Western equivalent of the eleventh century’ (1994:390). He adds:

The only persuasive policy for the Bolsheviks, was to transform it from a backward into an advanced economy and society as soon as possible. The most obvious known way to do this was to combine and all-out offensive against the cultural backwardness of the notoriously ‘dark’, ignorant, illiterate and superstitious masses with an all-out drive for technological modernisation and industrial revolution (1994:376).

This passage reveals an anthropological understanding of the human condition that takes us back to the days of J.G.Frazer. It also reveals the persistence of a naive nineteenth century belief in evolutionary progress and in the ability of industry and science to deliver it. Sentiments of this kind are an expression of a consciousness informed by a labour theory of value, a theory whose vision of humanity is seen through the eyes of a factory worker in nineteenth century England. This vision is limited rather than wrong.

The same can be said of the marginal utility theorist whose image of the decision maker ‘is one of a home-maker going down the aisle in the supermarket, or an investor calling a broker: both are isolated individuals acting on their own’ (Etzioni, 1991: 6). The history of the theoretical journey from Marx to Friedman, then, is one from factory floor to shopping centre. If Marx’s theory centres on the proletarian who is chained to the factory floor and from whom commodities are alienated, then Friedman’s individuals are free to wander around the supermarket to buy whatever goods they like.
within the limits of their budget. The problem with both theories is that they both unjustifiably claim a privileged perspective and they both try to explain too much from that perspective; as a result, they have both expanded beyond the level of their explanatory competence. But where are the boundaries of these theories and what lies beyond them? What contribution have anthropologists made to the theory of value?

Marx’s theory of value is part of a labour theory paradigm that rose to dominance in England with the publication of Adam Smith’s *Wealth of Nations* (1776) and declined with the publication of Jevon’s *Theory of Political Economy* (1871). The latter, in turn, marks the beginning of the rise to dominance of the utility theory, the paradigm that is still dominant today. The labour theory paradigm, more accurately termed the English factory worker’s theory of value, rose to dominance at the expense of a French landlord’s theory of value, Physiocracy as it is called (Schumpeter, 1954: 209ff). The latter, in turn, rose in opposition to a mercantilist theory of value which saw precious metals as the source of wealth. Thus the location of the imagined source of value has moved from the hoarder’s treasury, to the landlord’s estate, then to the factory floor and finally to the supermarket. These paradigm shifts are correlated with changes in technology and society. Friedman’s theory is to the consumer revolution of the twentieth century as Marx’s was to the industrial revolution of the nineteenth. If Friedman celebrates the individual’s freedom and equality in the market place by denying the existence of inequality and power relations, then Marx riles against the authoritarian hierarchy of the industrial workplace by dismissing the freedom of the market as an illusion.

But what about the values of farmers in the colonised countries? What about those domains of human endeavour that lie outside that covered by the estate of the landlord, the factory floor of the industrialist and the shopping area owned by the limited liability company? What about the values that spring from hearth and home for example? What about the House and the relations of consanguinity, affinity and contiguity?

Enter the anthropologist.

Anthropologists have no generally accepted theory, such as ‘labour’ or ‘utility’, that epitomises their approach; but a
general orientation, centred on the House, can be readily identified. The form of consciousness associated with the values of the House is not the *class consciousness* of the factory worker or the *individual cognition* of the pusher of a supermarket trolley but the *reciprocal recognition* of people concerned with the reproduction of a House. This form of consciousness creates the relations of consanguinity, affinity and contiguity that link the dead with the unborn by means of the possessions and passions of the living. When someone says ‘I am your son’ the speaker only becomes a relative when the addressee replies ‘I am your father’. Acts of reciprocal recognition of this kind, which are always the subject of the contingencies of time, place and person, mean that parenthood is, for the anthropologist, always a cultural fact rather than a biological one. Sex is not the same as marriage, notwithstanding the correspondence that may sometimes exist between the two. Furthermore, parenthood is first and foremost the product of reciprocal recognition. A man is not a son until another man reciprocates the acknowledgement. This can be done orally by means of kinship terms but, because of the property implications in a world of *commodities*, it is now often done in writing with the State as the third party. For some people the quest for reciprocal recognition can be a life long quest as Connolly and Anderson’s (1988) film *Joe Leahy’s Neighbours* illustrates. Joe, the son of an Australian miner and a Papua New Guinean woman, was not recognised by his biological father. He acquired the status of son after his father died by getting his father’s brother to recognise him, in writing, as an uncle.

As an exemplar of the anthropological approach to the question of value, I will now consider the work of Dumont and one of his recent critics, Veena Das. This discussion will enable me to set the scene for the argument that I want to develop.

Dumont divides the world neatly between ‘us’, the moderns in the First World, and ‘them’, the traditionals of India. ‘With us modern Westerners,’ says Dumont in his *Affinity as a Value* (1983:vii),

affinity is subordinated to consanguinity, for my brother-in-law, an affine, becomes an uncle, a consanguineal
relative, for my children. In other words, affinity is ephemeral, it merges into consanguinity for the next generation. As values are by definition conceived as permanent, durable, I may say that affinity is inferior to consanguinity, or undervalued in relation to it. Now my thesis is that the specificity of the South Indian kinship system lies in the fact that affinity there is transmitted from generation to generation, is thus permanent or durable, and so has equal status with consanguinity, or a value equal to it (his emphasis).

Associated with this is a Western ideology that has egalitarianism as the paramount value and an Eastern ideology where hierarchy is supreme. Underlying this opposition is another of more general application: The West values the individual, considered as a free, equal, independent, autonomous, non-social moral being, over holism where the differences between people are recognised and united into a complex whole. In the ‘traditional’ societies of the latter kind ‘relations between men are more important, more highly valued, than the relations between men and things’ (1977:5). Thus we do not need a theory of value to reveal the relations between people that lie hidden behind the relations between things in equation (3) above because the former are laid bare for all to see.

What are these values in a ‘traditional’ society like India? Dumont’s Homo Hierarchicus is devoted to answering this question. His conviction is that ‘caste has something to teach us about ourselves’ (1980a:1). Caste, he shows, is a unique configuration of the relations of consanguinity, affinity, and contiguity based ultimately on the reciprocal awareness of different castes of their relative purity and impurity. This standard describes and prescribes the division of labour, the rules of marriage, and the exchange of raw and cooked food. These rules define in-groups and out-groups and value them according to the standard of Brahmanic purity; the labour of these groups, and the products of this labour, are similarly valued.

Dumont’s theory, the product of intensive fieldwork and meticulous comparative research, is one of the best anthropological accounts of Brahmanic household polity that
has ever been produced. His theory would not have been controversial if this was the only claim that he made for it; but, in the grand tradition of all leading value theorists, he has pushed his theory beyond the limits of its explanatory competency and drawn too many problematic political lessons from it. Brahmanic values are important values in India but they are not the only values and nor are they the paramount values. Dumont not only denies the importance of other religious values such as auspiciousness and sacredness, he also denies the importance of the non-religious values of the other castes in the classic four-caste theory of Indian society that he employs. The four-caste theory ranks priests, kings, merchants and farmers in that order and Dumont takes the pure values of the priests to be the values of the totality. True, there is reciprocal recognition of Brahmanic values by these castes but there is also asymmetric recognition and some indifference to them. The merchant castes are intimately familiar with the principles of ‘modern’ market valuation and so too are the people from other castes they trade with, be they Brahmans or Untouchables. The principle of profit and loss is as much a part of ‘traditional’ Indian values as are those of purity and pollution. These market values are sometimes more important than Brahmanic values, sometimes less, but always coeval, contrary to what Dumont supposes. Indeed, given the almost complete neglect of market studies by caste-obsessed anthropologists in India, a reader of the anthropological literature on India could be forgiven for believing that Dumont was right about the absence of commodity exchange. 

Thus, just as Marx saw the values of the factory worker in nineteenth-century England as being the key to understanding nineteenth-century capitalism and Friedman sees the values of the supermarket shopper as the key to understanding the twentieth-century global market economy, so Dumont sees Brahmanic values as the key to understanding Indian society. Moreover, by seeing egalitarian values as the characteristic values in the ‘West’, Dumont denies the coevalness of rival cognitions and implicitly accepts a Friedmanite view of the ‘Western’ world. The decision making structure of the modern organisation, Wolfe (1989:122) notes, is not egalitarian. Hierarchical authority, the direct opposite of the presumed voluntarism in the external market, is necessary so that the
managers can manage its internal relations efficiently. As Wolfe puts it: ‘Organisations can be free only if individuals live in chains’. In other words, theorists like Friedman and Dumont affirm equality in the ‘modern’ world by denying the pervasive co-existence of unfree, hierarchical values.

Critics often dismiss Dumont’s theory of caste as a conservative defence of social stratification and social inequality. Dumont disputes this charge but admits to an ‘irenic preference’ for hierarchy over conflict (1980b:239). Dumont argues for an ordered holistic conception of society that recognises difference by uniting opposites; he is against an individualism that flattens the integral whole to create an aggregation that must, in his opinion, lead, as a matter of logical necessity, to totalitarianism and other sorts of violence. He adheres to Aquinas’s dictum that ‘order is seen to consist mainly in inequality’ (1980b:238), a statement, he believes, which contradicts our stereotypes and prejudices. From his position, then, it is the so-called radicals who are the real conservatives. In their calls for equality—with which he has no theoretical problem in so far as it is a matter of enfranchisement in general—they fail to perceive the slip from equality to identity through the non-recognition, insubordination, or neglect of difference with the result that values get set that are impossible to attain. Against those advocates of difference who claim ‘separate but equal’, his counterclaim is that this is impossible as the transition from slavery to racism in America illustrates.

Dumont’s theory of value is a classic illustration of Fabian’s denial of coevality thesis. Dumont’s opposition between the hierarchical East and the egalitarian West consigns India to another time, another place and another mode of being human in the world. Not only does he deny the coevality of these ‘modern’ and ‘traditional’ modes of consciousness, he also denies the coevality of ‘traditional’ mercantile and agrarian values in India, and the coevality of conflicting class and individualist forms of ‘modern’ consciousness in Europe. Dumont is a formidable opponent because his denial of coevality is a conscious, radical one. He is aware of the history of imperialism but simply denies its importance; he is aware of the existence of alternative values in India but he simply asserts the predominance of Brahmanic values. For him values
are ‘by definition conceived of as permanent, durable’ (1983:vii). They can stand apart from power and can even be above it. This is the message of India for the West and those Westerners who fail to grasp this point, argues Dumont, are so entrapped by egalitarian values that they are unable to see hierarchy for what it is. Dumont tries to insulate himself from criticism by means of this circular rhetoric. But his argument contains one fatal flaw. It is one thing to deny the coevality of the Other by assigning her to another place and another time but quite another to stop her from affirming the contrary. It is not surprising, then, that the most telling criticism of Dumont’s theory of value has come from an Indian anthropologist, Veena Das.

Das (1994a) tells us that she used to have a consuming interest in relocating Sanskrit texts in modern knowledge systems and that Dumont’s work fascinated her. Slowly she learnt to engage the problems of her immediate environment. Since 1984, the year of the Delhi riots following the assassination of Mrs Gandhi, she has been engaged in a study of violence and the way moral communities are created through suffering. Her work with the female riot victims caused her to rethink some of her positions. Furthermore, she read the newly launched *Subaltern Studies* project as ‘an invitation to think anew the relations between history and anthropology from a point of view that displaces the central position of the European anthropologist or historian as the subject of discourse and Indian society as its object’ (1989a: 310). Anthropologists, she noted, ‘are interested in seeing how order is created out of chaos...not how it is violated to create structures of power within the family’. Her recent work develops some of the implications of the subaltern approach. For her the subaltern is not a morphological category, but a perspective. She adopts this perspective in her article ‘Moral Orientations to Suffering’ (1994b) where she draws a distinction between ‘negative responsibility’ and ‘positive irresponsibility’.

‘Negative responsibility’ refers to the tragic consequences that can arise when a powerless person uncritically accepts the values of the dominant in their attempts to make sense of an inexplicable world full of capricious gods, contingent events, and accidents of life. The powerful create meaning out of this
chaos by means of values expressed in political theologies that give meaning and order to life. Only the powerful have the luxury of assuming that life has meaning, writes Das (1994b: 149), because only they can exercise the kind of control over events that makes the personal, social and political life of people seem logical. These are the values of ‘positive responsibility’, the values that make for a culture.

From this perspective the values that spring from the institution of the House in India lose their specificity and become recognisable variations on a general theme found anywhere. The relations of consanguinity, affinity and contiguity acquire a value whose essence is captured by the word patriarchy. Das’s understanding of this notion contrasts sharply with Dumont’s notion of ‘affinity as a value’ and it is useful to pursue the idea for it lies at the heart of my analysis as well.

Abstractly considered, the values of patriarchy define consanguinity as a patriline where sons are more highly valued than daughters, where male honour is paramount, and where male ancestors are worshipped in expensive and time consuming rituals; it defines affinity as an unequal relationship between low status wife-givers and high-status wife-receivers that creates obligations on the former to make periodic, prestige-maintaining gifts; and it defines contiguity as a form of patrilocal residence where wives are obliged to live with, and to serve, their husband’s family. The net effect of this is to create a situation where women are ‘in between’ as Marilyn Strathern (1972) so aptly put it in her ethnographic analysis of the Melpa women of highlands Papua New Guinea.28 Figure 1.1 illustrates this. As a daughter, ego is separated from her mother by relations of contiguity; as a mother, she is required to value her sons more highly than her daughters because of the relations of consanguinity; and, as a sister’s daughter, she is distanced from her mother’s brother by the relations of affinity.

The values of the patriarchal House overlap with those associated with the State and the Market. The relations between these values are often inexplicable. But meaning has to be constructed if order is to be maintained. This paradox may have tragic consequences for the ‘woman-in-between’
raised to accept, uncritically, patriarchal values. The moving case study reported by Das illustrates this.

During her work with some of the survivors of the anti-Sikh riots, Das got to know a Sikh woman called Shanti whose husband and three sons were burnt alive by a mob as they hid in an abandoned house. An informer told the mob of the whereabouts of the man and his sons and, after hurling abuse at the hidden men, the house was doused with kerosene and set alight. Shanti and her two surviving daughters witnessed the event from the terrace of the house in which they were hiding. Shanti was eventually given Rs 40,000 compensation by the government for the loss of her family but this did not alleviate her suffering. She took the pain as evidence of her guilt and eventually took her own life. An unanswerable question tormented Shanti: ‘What did we have to do with the assassination of Indira Gandhi?’ This was resolved in the courtroom of her mind. She found herself guilty of the crime and administered her own justice.

Das’s analysis of the facts of this tragic case stresses the inexplicability of the decidedly human logic that connects national events with personal lives. ‘Reflecting on Shanti’s case,’ she notes (1994b:149), ‘we see events that may seem remote and distant to a family in a slum, such as the assassination of a national leader, can lead to calamity in their
personal lives, but so absurd are the connections through which this happens they can only testify to the chaotic nature of the world in which they inhabit.’ As such, Das does not try to explain or interpret the events; her aim is to reveal the contradictory human values that inform existential dilemmas of this kind.

First, the values of the killers. For them, Das (1994b:142) notes, ‘there seems to have been an implicit contract that the death of Indira Gandhi was to be avenged by a kind of ritual killing of adult men’. This value establishes a logical equation between the death of a Hindu prime minister and the death of numerous adult Sikh men. The standard of value that informs this logical equation is a particular Indian form of the general principle that Otherhood (Sikhs in this case) is the negation of the Brotherhood (Hindus). This value presupposes that Brothers reciprocally recognise one another and that they constitute an exclusive integral whole. Thus injury to a part of the Brotherhood is injury to the whole and compensation must be exacted when it occurs. This is what Radcliffe-Brown (1957) calls the Principle of Justice and rightly characterises it as a fundamental principle of human society.

Consider now the values of the victims. The tragedy in Shanti’s case is that she was an unjust victim of the Principle of Justice that operated during the riots because she was the only woman to have lost a young child to the murderous crowd. ‘Every woman knew children were not being killed,’ Shanti told Das (1994b:144). ‘Only I was stupid. Only I lost a child,’ Shanti did not question the values informing the Hindu Brotherhood but other women did. ‘If they had wanted to take revenge,’ they told Das, ‘they should have killed those guards who were the assassins. What had we done that such devastation was wrought upon us?’

Shanti was also the victim of betrayal in that her mother’s brother was an informer. ‘He revealed the hiding places of the Siglikar Sikhs to the leaders of the mob,’ Shanti told Das (1994b:143). ‘He bartered their lives for his own protection’. The value behind this barter not only equates one person’s life with another’s death, it also equates the continuity of a wife-giving lineage with the extinguishment of a wife-receiving lineage. The significance of this fact lies in the local evaluation of such behaviour. Given the relatively low status of wife-
giving groups, an act of affinal betrayal of this kind is unlikely to arouse the moral outrage that consanguineal betrayal would. Das does not explicitly deal with this matter but she does implicitly when she notes (1994b:148) that the consanguines of the dead began talking of martyrdom, of the long tradition of martyrdom in Sikh history, and the obligation to remember dead family members. Shanti expressed these values when she criticised her husband’s refusal to sacrifice his own life to save that of his sons:

They hurled challenges upon my husband to come out. If he had been brave he would have come out and then my little child would have been spared. But he remained mute. The crowd burnt the house (Das, 1994b:143).

Shanti compared her husband’s actions to those of another man who did face the crowd and whose child was saved because the killers were honour-bound to do so.

Shanti had so internalised the patriarchal discourse of the family, writes Das (1994b:144), that to her all sense of worth came from being the mother of sons. In failing to protect her son, she had failed as a woman. ‘The greatest duty of a woman,’ Shanti repeatedly told Das, ‘was to ensure the continuity of men.’ So great was her commitment to her son that she devalued her daughters calling them ‘counterfeit children’ (nakli bacche). Her mother, sisters and other women contested this value: ‘Are they not born of your womb, the same as your sons?’ Her five year old daughter even tried to assure her that she would not marry, that she would stay with her, and that she would be ‘like a son’.

Patriarchal values of this kind also govern the mode of distribution of money coming into the household. Shanti’s husband’s father felt that the Rs 40,000 compensation money Shanti received rightly belonged to him as the only surviving male member of the lineage. When Shanti’s mother came to live with her to comfort her in her suffering, the patriarch insinuated, through various subtle forms of innuendo, that she wanted to grab the money. He appealed to the norm of contiguity:
Circumstances have compelled her to stay, otherwise, which woman can stay on in her married daughter’s house like this? If nothing else the world would say “What a shameless woman!” (Das, 1994b:146).

The mother found it impossible to stay and returned home leaving Shanti to inhabit the valued male space herself.

On another occasion the patriarch wanted to hold an expensive ritual to ensure peace for his dead son and grandson. Shanti questioned the values underlying this request by raising the issue of the future of her daughters and of the need to have money for their marriages. The old man construed this as a betrayal of the male line: patriarchy values the memory of a dead son more highly than the marriage of a living daughter.

What this case illustrates is that values have valuers and that the ruling values are the values of the dominant. These values are never universal because power is never absolute. Furthermore, the coexistence of many different value systems, such as those that link the House with the State, are often connected by an inexplicable logic. The unmeaning of this logic can send people mad as they struggle to find meaning. Sometimes the paradox can only be resolved by rejecting the values one is brought up to believe are ‘natural’. Shanti’s values can be seen as ‘false consciousness’, as can the values of people like her who find the answer to problems like this in the work of the gods rather than the values of men. Das is not prepared to make this value judgement. For her Shanti’s death ‘must forever remain elusive...a testimony to the unequal dialectic between the norm giving, powerful male society and the attempts to resist those norms by the constant reconstruction and kaleidoscopic organisation of memory in the inner lives of the individual’ (1994b:150). However, unlike Dumont who has an irenic preference for hierarchy over conflict, Das is prepared to accept that irresponsibility may be positive, or, to use my terms, that asymmetrical recognition may be a good thing.

Just as Das is unwilling to pass a judgement on Shanti, the reader must reserve judgement on her husband's father. While it is possible to judge him from the perspective of the values of the House, these values are not the only ones he is caught up in. From the point of view of the Hindu Brotherhood he is a
Sikh, an anti-Hindu, someone without humanity who deserved to be eliminated. From another point of view, he is a member of a low-status ironsmith community. People like him switch between these different values systems and one value system is usually in the ascendancy at any particular time. But the choice of the switch is not always free as this case suggests. Thus while contradictory values can be sharply distinguished at the conceptual level the implication is that, at the ethnographic level, unambiguous classification becomes impossible.

In the second part of her article Das (1994b) moves from a consideration of the values of the House to those of the State. She examines the process through which the Indian courts arrived at the figure of 470 million dollars as compensation for the 300,000 victims of the Bhopal disaster, the worst industrial accident in human history when between 30 to 40 tons of methyl isocyanate escaped from huge storage tanks at the Union Carbide factory on the night of December 2–3, 1984. She shows how the Indian government stepped in between the company and the victims and reached a settlement without the consultation of the latter thereby rendering them into double victims. She quotes a moving speech of an illiterate women victim protesting the judgement which says it all: ‘We ask the judges only one thing— please come here and count us’ (Das, 1994b:161).

What unites Das’s approach with that of Marx’s is the argument that value is an expression of an antagonistic power relation between people located historically, geographically and anthropologically. This argument distinguishes Das and Marx from Friedman and Dumont. The latter, for example, argues that value ‘encompasses’ power rather than the other way around. Such an approach reifies values and contradicts the humanist’s position that political relations between people are ‘the measure of all things’.

SCOPE AND LIMITS OF MY STUDY

Having outlined three approaches to the question of value it remains for me to specify the scope and limits of the perspective I am adopting.
This book is an anthropological inquiry in that it takes a field-work-informed, comparative approach to the analysis of those values that spring from reciprocally recognised relations of affinity, consanguinity and contiguity. It does not deny the importance of values associated with class consciousness or with individual cognition. However, while it complements the relational class approach it contradicts the individualist approach in that the analysis of historically constituted relations between people are given primacy over the psychological states of individuals. Psychology, then, is relegated to a position of secondary importance. This is a philosophical stance and my concern is to examine its implications rather than to justify it because this would require a book of a very different nature.

In terms of the ‘four-varna’ theory of Indian society—the theory of the ‘pen’, the ‘sword’, the ‘purse’ and the ‘plough’ as it is sometimes called—my analysis concentrates on the purse and the plough, the merchant family and the farm household. I do not deny the importance of the pen (religious values) and the sword (the State). To the contrary, I regard them as very important. However, I focus on the values associated with the purse and the plough to redress an imbalance. Anthropological studies in India have concentrated almost exclusively on Brahmanic values. The reason is not hard to find. Brahmanic values are unique to India. These values, as norms, are codified in ancient texts and talked about on a daily basis in village India; they are also acted upon and the outsider cannot help observing their visual form—the cow, the sadhu, the eating rituals, the washing rituals—even if he or she does not understand them fully. The values of the purse and plough are equally visible but these are much more familiar to the outsider. The values found in the markets and farms of India are minor variations on those found in Asia, Africa, Latin America and even Europe. The ‘profane’ values that inform the actions of farmers and merchants are not the subject of lengthy exegesis. They coexist with religious values and it is important to affirm this coevality. This obvious point must be stressed because many anthropologists implicitly deny it by asserting not only the primacy of religious values over all others but also, in the case of anthropologists like Dumont, the primacy of one religious value, purity, over all others such as
auspiciousness, sacredness, and so on. While I assert the primacy of free market anarchism as a historically specific global value, and while I believe that we are all victims of this value to a certain extent, I do not see it as a universal value, as something that is eternal and immutable. It coexists with many other values and people switch, and are switched, between these different values in a way that can only be understood by means of the concrete analysis of concrete conditions. Most of the households I have data on are located in the logical space defined by the intersection of the values of the pen, sword, purse and plough. For example, one Brahman household is both landlord and merchant; a low-caste farming household contains a priest, a teacher and shopkeeper, and so on. Values, then, are not classifications; any one household possesses a variety of values such that now this, now that value is dominant at any given time. However, their relative importance varies according to the contingencies of history. Guha (1983a), for example, analyses those values that are dominant in times of insurgency. In this book, by way of contrast, I concentrate on those less spectacular everyday farming and mercantile values associated with ‘business as usual’.

In terms of the theory of kinship, I am concerned with the politics of valued relations rather than the logic of kinship structures. Thus I begin not with Lévi-Strauss’s ‘atom of kinship’ but with Das’s Visible hand of patriarchy’. But whereas Das is concerned primarily with gender relations within the family, I take such relations as given and concentrate on inter-family relationships. Further, whereas she is concerned with the pain and suffering that follows inexplicable eruptions of violence, I am mainly concerned with the non-violent interactions between people that I was fortunate to experience during my fieldwork.

In terms of the theory of symbolism, my focus is money, the symbol of all symbols. Nixon’s closing of the gold window was a symbolic act that cultural anthropology has not even posed as a problem let alone decoded. This is doubly surprising because not only is money the supreme symbol in the world today, it is also the origin of the term symbol itself. The word comes from the Greek symbolon, a metal object that was broken in half as a sign of a pledge between two parties, each of
whom would retain a part as evidence of their pledge. Thus, to decode a symbol one located the two material components in order to deduce the non-material idea that united them. In the case of the U.S. dollar, one part of the symbolon was the stamped paper circulating above the ground while the other part was the gold stored underground at Fort Knox. To decode this symbol we must ask, first, what was the thinking behind the 1934 pledge to convert every dollar into 1/35th ounce of gold, and, second, why was Nixon forced to break this pledge in 1971? The questions are part of a general theory of taboo because gold has been an untouchable substance in U.S. for almost half of the twentieth century. An edict in 1934 required all privately held gold to be surrendered to the U.S. Treasury and this lasted until 31 December 1973. Taboo, as I see it, is a matter of power and value.

In terms of the theory of commodities, Marx’s analysis of the various forms of exchange—C-C, C-M-C, M-C-M’, M-M’—provides the structure for this book. Chapter II develops the analytical distinction between commodities, goods and gifts that I will be using. This builds on my previous work in Papua New Guinea but my focus here is on goods and commodities that I analyse in terms of a theory of value based on reciprocal recognition rather than class consciousness or individual cognition. Thus the substance of my analysis of commodities differs from that of Marx’s. Furthermore, my theory of goods only has a nominal connection to the neoclassical notion of goods. I have thought of marking this distinction but decided against because the context makes the meaning clear. Most words in the English language have more than one meaning and the word ‘goods’ is no exception. In Chapter III, I argue that land is the supreme good and that this notion is as important for understanding the rise of capitalism in England as it is for understanding agrarian relations in places like India today. I distinguish between elite goods—inalienable keepsakes of the landed aristocracy—and subaltern goods, the inalienable keepsakes of the relatively less well off. In Chapter IV, I argue that the distinguishing feature of market relations in Bastar is not their ‘tribal’ or ‘peasant’ nature but that it constitutes a classic example of Marx’s C-M-C formula, selling commodities (C) for money (M) in order to buy other commodities (C). But the producers of such values, I argue,
produce these on land that is a **good**. The coexistence of these two value systems (**goods** and **commodities**) creates contradictions that enable people to switch in ways that will always confound the theorist, be they Marxists or neoclassicals, who strive to understand agrarian relations exclusively in terms of one theory of value or the other. In Chapter V, I look at M-C-M', buying cheap *here* in order to sell dear *there*. This commercial value, which is as old as *Homo sapiens* ourselves, is also coeval with other values and my concern here is to reveal the relations of consanguinity, affinity, and contiguity that stratify mercantile capital by examining the role of **territoriality** as a value. Chapter VI has M-M' as its theme, the borrowing of money *today* and the ideal return of a larger sum *tomorrow*. Again, my concern is to reveal how the coevality of different value systems can confound our understanding of the mathematical logic of the interest rate formula that is supposed to connect a small sum of money today with a larger one tomorrow. I do this by means of a discussion of **temporality** as a value. Chapters VII and VIII look at money, M, as a creation of the imperial state. The fact of power means that there is always at least two ways of valuing money, the standards of the elite and the standards of the subalterns, and these chapters present a comparative and historical analysis of these standards by looking at the experience of India, Africa and Papua New Guinea. It is important to note that by using these formulae I am in no way endorsing the logical and historical primacy Marx gives to C-C (barter) over M-M'. To the contrary, as the equations (1) to (3) above illustrate, C-C can just as readily be seen as the logical consequent of money as its antecedent. Furthermore, barter, as many anthropologists have stressed (Hart, 1987), and my analysis confirms, coexists today with money. It is best, therefore, to see C-C as a form of direct exchange of commodities that consists of three logical types: simultaneous in time and place, same place different time, and same time different place. In other words, it is necessary to affirm the coevality of the different forms that Marx differentiated as stages in an evolutionary process.
NOTES

1 See Feaveryear (1963) who surveys the history of the pound sterling from the middle ages to the present day. Chapter VIII, below, contains an analysis of Nixon’s actions.

2 Imperial monetary policy provides an excellent Piercean index of imperial power. In 1497 the Spanish government issued an ordinance at Medino del Campo which abrogated all previous existing systems of money and the Spanish dollar began its reign as the supreme world money. The goodness of the Spanish coins exalted them above the prevailing rates in Europe and they were eagerly sought in consequence. The basis of their goodness was conquistadorial rather than mercantile imperialism. The mines at Potosi supplied the kings of Spain with their wealth and the extravagant spending of the kings supplied the world with a much needed instrument of commerce. (See Shaw, 1895:106ff, 319ff.) Potosi is now a tin mine and Nash’s (1979) important ethnography brings the story up to date. The year 1825 marks the beginning of the rise of the British pound as supreme currency and the fall of the Spanish dollar. In this year the Home Government made its attempt to introduce British silver (backed by gold in the first instance and the mercantile power of British imperialism in the second). ‘The real justification of the measures of 1825’, notes Chalmers (1893:24), ‘was one which was only vaguely felt at the time…the Spanish dollar, the universal coin of three centuries, had lost its supremacy, and…its universal dominion was in process of disintegration.’

3 I elaborate on this in Chapter VIII below.

4 The title of a new journal, Social Identities, first launched in 1995, suggests that the debate might be moving in new directions. See, in particular, the article by Martin (1995). He argues that narratives of identity are produced in order to create and mobilise groups towards particular goals, that these are based on ‘liberating amnesia’ and careful selection, and that they cannot be understood as representations of immutable realities.

5 I refer here to the work of Appadurai (1986). Ferguson’s review (1988) not only celebrates Appadurai’s work as a ‘milestone in the development of a new, culturally informed economic anthropology’, he makes a point of defending Appadurai’s ‘fetishistic thinking’. Marcus (1990) sees Appadurai’s work as the most stimulating culturally oriented response within economic anthropology to the postmodern conditions of
disorganised capitalism. Miller’s (1995) recent review of the literature on commodities and consumption echoes these opinions. I question this new orthodoxy. I develop a specific critique of Appadurai in Chapter II and general critique of the culturalist approach in Chapter IX.

6 The only thing that links Freud, Piaget, von Neuman, and Chomsky (to say nothing of Jung and B.F.Skinner),’ argues Geertz (1983:150), ‘is the conviction that the mechanics of human thinking is invariable across time, space, culture, and circumstance, and they know what that is.’ Geertz also notes that the assumption of psychic unity ‘has remained a background article of faith among even the most thoroughgoing of them, anxious as they were to do away with any notion of primitive minds or cultural racism.’ See Spiro (1992) for a recent defence of the assumption of psychic unity.

7 American culturalists begin here. Sahlins (1976:vii), for example, takes ‘as the distinctive quality of man not that he must live in a material world, a circumstance he shares with all organisms, but that he does so according to a meaningful scheme of his own devising, in which capacity mankind is unique.’

8 ‘Manifestly to overcome the difficulties confronting an ethnological investigation, it would require the cooperation of a group of supermen’ (Radin, 1933:103).

9 I borrow this image from Hart (1986).

10 The latter approach is taken by Zelizer (1994) in her fascinating analysis of the social meaning of money in the U.S. over the period 1870–1930.

11 ‘Anthropology,’ Kottak and Colson (1994:396) argue, ‘needs, and is developing, models of its subject matter that reflect the structure of today’s world. Various recent multilevel, multisite, multitime research projects illustrate this development. Such projects are one indication of a shift towards the study of process, of an engagement with history, and of an anthropology that takes care to consider the role of political and economic power’. This argument owes much to people like Wolf (1982:13) who note that ‘the very success of the [fieldwork] method lulled its users into a false confidence. It became easy for them to convert merely heuristic considerations of method into theoretical postulates about society and culture.’

12 Two excellent anthropological histories of Bastar have been written: Sundar (1994) focuses on relations between the villagers and the state; Anderson and Huber (1988) on forest policy.
13 Wolfe (1989:34) makes this point in his enlightening analysis of the disciplines of economics, politics and sociology.

14 This notion of the Other refers to the Otherhood of the Market, that is alienation, and should not be confused with the notion of the Other as used in recent anthropological discourse.

15 Mamadou Diawara (personal communication, 1995) tells me that slavery in Mali was based on this principle.

16 See Guha (1983a:93ff) on code switching. Elwert (1995) has independently developed this idea in his attempt to understand the phenomenon of ethnic identity.

17 I take this term from John Milton’s (1982 [1672]) humanist logic. See Chapter IX below.

18 The battle is the stuff of myth. See: Emeneau (1940), Kipling (1959), Schmitt (1983), Williams (1930).

19 See Keesing (1994).

20 See, for example, Prakash (1994) and Chakrabarty (1995).

21 Das (1989a) was one of the first anthropologists to appreciate the implications of Guha’s work for anthropology. See also Das (1990, 1994a, 1994b).

22 See DaMatta (1994) where he argues for recuperation of anthropology’s humanist project. He is opposed to ‘interpretivism’ and claims that the interpretivist’s notion of ‘ethnographic distance’ enables them to avoid ‘radical political questioning’ (1994:125).

23 Rahu is an eclipse deity. The myths of the elite portray him as an anti-god, those of the subalterns as a god. These are analysed in Guha (1985).

24 Anthropology, notes Geertz (1994:454) ‘has found itself faced with something new: the possibility that the variety is rapidly softening into a paler, and narrower, spectrum’. He likens the present historical conjuncture to a ‘cultural collage’ and contrasts it with the old ‘still life’ (1994: 464). Spiro (1992) makes the same distinction in a rather different way and defends the latter.

25 Compare Das (1994a:164): ‘the victims of these disasters continue to bear the burdens of modern Indian society and as their scribe I struggle with the hopeless inadequacy of my conceptual tools to give them voice.’


27 ‘The relationship between a hierarchical order of castes, with its focus on the superior position of the Brahman, on the one hand, and a conception of sovereignty which focuses on the Hindu king or the royal functions of the dominant caste at the level of the village, on the other, has been a central reverberating issue
in the anthropological and historical study of South Asian society, so much so that it has been called “the central conundrum of Indian social ideology”. Virtually all the major contributions to the anthropological, Indological, and historical study of Hindu South Asia have been concerned in some fashion with this relationship, and have seen it to be constitutive of fundamental aspects of social life, polity, and religion’ (Raheja, 1988b).

28 In a recent article on value theory she extends my analysis (Gregory, 1982) to an area that I hesitated to apply the word, namely the “equation” set up between things and persons, such as bride and bridewealth’ (Strathern, 1992:177). My analysis here continues our long running dialogue on the value question. I accept her extension of the term value to this domain and try, in turn, to extend her analysis beyond Melanesia.

29 This was made clear to me at an annual fair I attended in Bastar. For the merchants (many of whom are also farmers) these fairs are money making opportunities and the values of profit and loss predominate. For other farmers, the fair is a religious event and the values of purity, sacredness and auspiciousness predominate. In both cases these values are switched on and off at different periods of time. For example, clan gods are carried to the market on wooden constructions called anga. During this time the construction is deemed to be highly sacred and must not be touched by anyone except the four people carrying it who themselves become possessed by the spirit temporally resident in it. The guardians of the anga get very angry if anyone touches it, as I found when I naively touched one. A ritual is performed at the village temple on the morning of the fair to transfer the spirit of the ancestral god to the anga and the reverse ritual is performed at the end of the day. Having just witnessed the latter, I was observing the ‘undressing’ of the anga and gingerly approached to assist. ‘Don’t worry sahib’, one of the men called out laughing, ‘it is just wood now. You can touch it.’ This ‘just wood’ value was reciprocally recognised by other people around just as its previous sacred value was so recognised. My lack of understanding of these values evoked anger on one occasion and mirth on the other.
CHAPTER II
Beyond Gifts and Commodities

GIFTS AND COMMODITIES: A DEFENCE

The analysis of value in an era of savage money presents the anthropologist with a theoretical dilemma. On the one hand, the object of study is full of contradictions and fuzzy boundaries; on the other, one’s instruments of analysis must be free of contradiction and one’s concepts clearly distinguished. This dilemma is difficult to negotiate. I struggled with it in Gifts and Commodities (Gregory, 1982), a book that has attracted a measure of critical comment. In this chapter I respond to some of this criticism by examining how two of my critics have coped with the dilemma. My aim is to set the theoretical and ethnographic agenda for the subsequent chapters. In this chapter, then, I move from a consideration of gifts and commodities in Papua New Guinea to the problems of analysing commodities and goods in central India. I defend the use of a binary logic as an indispensable instrument of anthropological thought and re-affirm the importance of fieldwork, and of an historically informed comparative method, as the material grounds for the development of anthropological knowledge.

Gifts and Commodities was my attempt to make sense of the world that I lived in for three years from 1973 to 1975 as a lecturer in economics at the University of Papua New Guinea (PNG). From an expatriate academic's perspective this academic world was made up of three rival paradigms: first there were the neoclassical economists who apprehended the world in terms of a theory of goods that led them to focus on marginal utilities of consumption; next came the neomarxist
political economists who saw everything in terms of a theory of commodities and class relations of production; and finally, there were the anthropologists whose theory of gifts led them to focus on the big-men and their prestige in the sphere of exchange. My response to this was to forge a theoretical alliance between the political economists and anthropologists against the neoclassical economists. Thus my book was intended as a constructive critique of the theory of commodities and gifts and a destructive critique of the marginal utility theory of goods. The result was, of course, yet another outsider’s view but one that struggled to adopt a critical stance towards Australian economic and political imperialism in the country.

Responses to my book fall into the three classes: some, mainly anthropologists, have critically accepted the basic distinction and have sought to develop the theory in their own way; others, again mainly anthropologists, have rejected it outright; and the rest, which includes the economists and political economists to whom it was addressed, have simply ignored the book altogether. While there is much in Gifts and Commodities that I would change today, the basic distinction at the heart of the book is not one of them. It is this distinction that I want to defend here. As such, I will restrict the following discussion to those critics whose reject binary thought in favour of a ‘cultural perspective’ that stresses conceptual continuity over conceptual discreteness. From this culturalist perspective my book is yet another exercise in binary thinking with all the problems that this approach is supposed to entail. I find some aspects of this critique challenging and thought-provoking but in many other aspects I find it muddled in the sense that the distinction between the object of study and the instruments of study is sometimes muddled. I consider the approach of two prominent theorist—Appadurai and Parry—to highlight the strength and weakness of this critique.

Appadurai’s culturalist approach to the analysis of commodities has been celebrated by Marcus (1990) as the way ahead for an anthropology concerned to confront the challenge of the post modern world of disorganised capitalism. Appadurai’s long essay, now recognised as a turning point in the theory of commodities (Miller, 1995), has been modified and developed by the Comaroffs (1990) and many others. I
concentrate here on Appadurai’s work because the problems in
his theory are reproduced by his followers.

According to Appadurai (1986:11, 54) I am among those who
‘overstate’ the contrast between gifts and commodities. Appadurai does not elaborate this claim and nor is he
concerned with the many theoretical differences that
differentiate the work of ‘overstaters’ such as Taussig, Sahlins,
and myself. Instead, he gets on with the task of presenting his
new ‘cultural perspective’. But what does this perspective
entail? In Appadurai’s case it is, first of all, a position that
denies the problem that I am trying to cope with, namely, the
paradox of the efflorescence of gift exchange in a commodity
world economy. For example, he describes the *kula* as ‘the
best-documented example of a non-Western, preindustrial,
nonmonetised, translocal exchange system’ (1986: 18). This
proposition, which anthropologists repeat *ad nauseam* in the
literature, is a classic example in the ‘denial of coevality’
tradition of anthropology. The fact is that the Milne Bay area
of PNG was one of the first regions colonised at the end of the
last century. Gold miners, planters and missionaries poured
into the area and, over the years, thousands of migrant
labourers and students have flowed in and out. *Kula* is to a
large extent an artefact of this history; like many other
indigenous exchange systems in PNG it flourished when the
colonial state suppressed clan warfare. Not only is *kula*
‘Western’, and ‘monetised’, it is also ‘national’ in the sense
that *kula* paths now wend their way through Port Moresby via
the houses of top Trobriand Island public servants. Here
Mercedes Benz cars and their horns substitute for the boats
and conch shells of the Islands.

The second defining feature of Appadurai’s ‘cultural
perspective’ is that it denies the logical principle of specific
difference by affirming the universality of the commodity form.
‘[I]n trying to make sense of what is distinctive about
commodity exchange,’ he argues (1986:13), ‘it does not make
sense to distinguish it sharply either from barter on the one
hand, or from the exchange of gifts on the other.’ According to
him we must look for ‘the commodity potential of all things
rather than searching fruitlessly for the magic distinction
between commodities and other sorts of things’ (emphasis
added).
Thus for him everything is a commodity and only with this proposition uppermost in mind can one navigate the contradictions that riddle his account. Consider the following:

Though an interesting range of *goods* is discussed in these essays, the list of *commodities* not discussed would be quite long, and there is a tilt towards specialised or luxury *goods* rather than ‘primary’ or ‘bulk’ *commodities* (Appadurai, 1986:6, emphasis added).

Note the implicit equation of *commodities* with *goods* here and the use of equivocal adjectives (‘specialised or luxury’, ‘primary or bulk’) to distinguish the different types of ‘commodity potential’. *Gifts* are equated with commodities and goods by means of the following argument:

Of course there are many differences between the kula and commodity futures in scale, instrumentalities, context, and goals. But the similarities are real... The trade in relics, the market in commodity futures, the kula, the potlatch are all examples of ‘tournaments of value’ (Appadurai, 1986:50).

Thus for Appadurai the equation *commodity = gift = good* is ‘real’, the differences exist but are apparent. The result is a contradictory theory of commodity-as-everything and commodity-as-something: the *commodity* is both *genus* and *species*. The only way he is able to differentiate his concepts is by employing a diverse group of adjectives in a totally *ad hoc* way: ‘primary’ commodity, ‘specialised’ commodity, ‘bulk’ commodity, ‘enclaved’ commodity, etc. Wherein lies the difference between these categories? My argument is that if exchange is taken as the genus then a conceptual distinction can be made between gifts and commodities; furthermore, I argue that the distinction must be made if the ethnographic reality is to be grasped.

The third defining characteristic of Appadurai’s approach is the most curious of all for it is tantamount to the denial that anthropology is, first and foremost, the study of people. He argues (1986:3) that ‘exchange creates value’ rather than people, and that ‘commodities, like persons, have social lives’.
This is a quite conscious attempt to elevate ‘commodity fetishism’—the process by which relations between people assume the fantastic form of a relation between things (Marx, 1867: Ch. 1.4)—to a methodological principle. From this reified ‘cultural perspective’ what becomes important is the ‘commodity potential’ of a thing. This universalisation and reification of the commodity form bewilders me. For a humanist, the commodity is an historically specific form whose value is created by relations between people. If this position is an example of the ‘tendency to excessively sociologize transactions in things’ that Appadurai (1986:5) seeks to correct, then I refuse to be corrected.

Appadurai would no doubt protest that this is not what he ‘really’ meant. If the ‘cultural biography of thing’ approach he endorses does not mean this then it means nothing at all except the totally uncontroversial proposition that the objects of exchange, be they people or things, have a history that can be charted. This history would show that, say, some of the gold at Fort Knox was once ore in the ground in South Africa, that it was then smelted, formed into jewellery and sold as a commodity, kept as an heirloom for many years, sold as a commodity to a mint, circulated as a gold coin, and, finally, taken out of circulation and remoulded into a bar of gold along with other old coins. So what is new? Who has ever denied that objects have many different social forms depending on the context? Certainly not me. But the various species of value must be sharply distinguished when writing histories of this type. This is just what Appadurai does not do: as I have argued above, he elevates a specific value, the commodity form, to the status of a genus and makes no clear distinction between this form of value and others such as gifts and goods.

Appadurai’s claim that the politics of value ‘has its source in the fact that not all parties share the same interests in any specific regime of value’ (1986:57) is one that I can identify with. However, I am unable to see how he reconciles this proposition with his advocacy of fetishism as a methodological principle. In short, I find his thinking muddled. On the one hand he advocates a cultural theory based on the logic of diversity, on the other he seems to be advocating a value theory based on the logic of commonplace contradiction. The former tendency is the dominant one.
Milton ([1672] 1982:223) comments on the logical status of the argument from _diversity_ are relevant here:

Arguments of disagreement which are diverse are those which disagree only in relation to something. This name seems most suitable for designating this very slight sort of disagreement, for by this expression are signified those things which, though they have a certain agreement among themselves and can by themselves and by their nature belong simultaneously to the same subject, are nevertheless not identical nor do they belong to the subject in relations to which they are said to disagree.

In other words, _diversity_, as a logical construct, is midway between _unity_ (agreement) and _difference_ (disagreement). Thus the cultural constructionists find their sameness and opposition within diversity. Spiro (1992: 126ff) calls this position ‘epistemological relativism’ and notes that the magnitude of cultural diversity it leads to is limitless. He argues that this unsatisfactory position comes about because relativists reject the notion of the psychic unity of mankind and hold that any notion of the unity of humanity can only be vacuous if true. One does not have to accept Spiro’s defence of the principle of ‘psychic unity’ to see the merits of his critique. Anthropology must begin with unity and my argument is that the historical unity created by the dominance of free market anarchist values is a real one.

Parry’s critique of _Gifts and Commodities_ is from the point of view of what I call ‘continuum theory’. From a logical point of view it shares all the problems of Appadurai’s approach. Like Appadurai, Parry too finds my distinction ‘greatly overdrawn’:

It might, I recognize, be objected that by emphasising the continuity between incremental exchange systems of the moka variety and Marx’s general formula of capital accumulation, I am ignoring a fundamental contrast which emerges from Gregory’s (1982) synthetic view of Melanesian exchange systems: the contrast between gift exchange systems of this kind in which the objective is to maximise net outgoings (to out-give), and commodity
exchange in which the objective is to maximise net receipts or profit (to outtake). This contrast, however, is greatly over-drawn for if—as Gell (1992:146) points out—it were literally true the Big Man would tend to seek out ‘rubbish men’ as exchange partners, and ply them with gifts in the confident expectation that they would never be repaid... Moreover, in many traditional Melanesian societies commodity exchange in the form of barter relations with trade partners on the periphery of one’s social universe does not seem to possess a radically different character from many gift exchange relations firmly within that universe. In both cases (and again I am indebted to Gell) an enduring bond is established, and in both the objects exchanged seem to be definitively alienated. Gregory’s neat opposition...does scant justice to these very real continuities (Parry 1989:86–87, emphasis added).

My first reply is to note, yet again, that this critique denies the problem I was trying to explain, the coevality of different value systems in colonial Melanesia. The systems of exchange in so-called ‘old’ Melanesia are, I believe, best left to the archaeologist. Could it be that the ‘denial of coevality’ thesis has such a pervasive hold over anthropological thought that it influences the way people read texts as well as write them?

Secondly, Parry’s suggestion that the logical implication of my theory is that the big man would seek out rubbish men to ply them with gifts is a complete distortion of my actual argument. I state, for example, that the ‘aim of an inter-clan gift transactor is not simply to maximise the number of gifts of a given rank he gives away, but to give away a gift of the highest rank’. I add that ‘these usually circulate amongst a small group of big-men’ (Gregory, 1982:52). I then give ethnographic evidence from Rossel Island and the Highlands. I also qualify my argument by noting that in those areas where ‘leadership is in the hands of elders rather than big-men, balanced rather than incremental giving is practiced’. I quote evidence from the Sepik where exchange partners ‘receive exactly the same in return’. In other words, the logical implications Parry (and Gell) draw from my analysis are false.
Thirdly, Parry's counter-argument conflates *ethnographic classification* with *logical conceptualisation*. This conflation is found in most 'continuity theorists' and it is based on a very simple confusion. When Lévi-Strauss divides the world into 'hot' societies and 'cold' societies, for example, he is *classifying* societies by means of the *concepts* 'hot' and 'cold'. Thus it is one thing to criticise him for the adequacy of his classification but quite another to criticise him for using the concepts 'hot' and 'cold'. I reject his classification but am quite happy to accept the idea that 'hot' is the opposite of 'cold'. In other words, it is one thing to make a conceptual distinction but quite another to use this distinction to classify societies. The problematic deployment of concepts does not mean that the concepts themselves are problematic.

I have never used the distinction between gifts and commodities to classify societies and nor have I ever suggested that 'we' are to commodities as 'they' are to gifts. Such an approach is anathema to me. My problem in *Gifts and Commodities* was to explain the paradox, brought about by colonisation, of the efflorescence of gift exchange in a world dominated by commodity production and exchange. I characterised Papua New Guinea as 'an “ambiguous” economy where things are now gifts, now commodities, depending on the social context' (1982:117). Thus I developed the logical opposition between gifts and commodities in order to try to understand the ambiguity of the historically specific situation of colonial Papua New Guinea.

Just as the bricklayer needs raw materials, proper instruments, and an imaginative plan to build a house, so too does the writer. For the anthropological artisan the skill lies in collecting data by means of the fieldwork method and the analysis of it using an historically-informed comparative method. A key instrument in this process is a logically coherent conceptual framework. The end may be an ethnographic classification of a Lévi-Straussian hot and cold kind; but to confuse *concepts* with *classification* is to confuse instrument with end, the tools with the product. It follows, then, that one can reject the product without rejecting the tools. Consider the analogy of the painter. The logic of the colour cube, which every good artist understands very well, is based firstly on the opposition of black to white and, secondly,
on the opposition of the primaries (red, yellow and blue) to the secondaries (green, violet and orange). This is sufficient to generate an infinite variety of discrete hues and artists use this logic to create works of art of great complexity. Guha (1983a) uses this analogy, unconsciously it seems, to organise his thoughts. The primary opposition that informs his notion of power is one between domination and subordination. This can be likened to that between black and white. A secondary opposition is drawn between insurgency and peace. Insurgency, in turn, opposes coercion to resistance as green is to red. Peace opposes persuasion to collaboration as blue is to yellow. The qualitative logic of these oppositions defines many other hues and contrasts such as the greeny blues within the relations of dominance and the shades of orange within the contingent relations of subordination. This logic is used to paint an overall picture of peasant insurgency in colonial India of great clarity. Consider the following extract from the conclusion of his work.

We had set out to describe the figure of insurgency in its common form and in terms of its general ideas. These, the reader will have noticed, have been made to emerge out of a welter of individual instances not all of them of the same hue or arranged in quite the same way. Visualized as a pattern, that form may indeed to said to be made up not only of elements and tendencies which are in agreement but also those which clash and contrast. Altogether, it stands for a generality in which ideas, mentalities, notions, beliefs, attitudes, etc., of many different kinds come together to constitute a whole. However, it is not a generality which is ‘something external to, or something in addition to’ other features or abstract qualities of insurgency discovered by reflection. On the contrary, ‘it is what permeates and includes in it everything particular’—a pervasive theoretical consciousness which gives insurgency its categorical unity and helps to sort out its specific and separate moments (Guha, 1982:333–34, my emphasis).

Marx, as I have already mentioned, is another example of someone who manages to great a theoretical work of great
complexity from a basic dichotomy. The list goes on. I do not claim for one minute that *Gifts and Commodities* is in the same category as these classic works but I have no qualms about appealing to the authority of these writers as exemplars in rejecting the claims of those thinkers who believe that we can dispense with logical distinctions of a dichotomous kind. The fact is that conceptual distinctions are tools of thought that we cannot do without.

Ethnographic classification, then, is quite distinct from conceptual division by the logical principle of dichotomy. The latter is an instrument of intellectual labour, the former, ethnographic classification, one possible product of it. These divisions have no life of their own but can be useful when working on the raw material—which, for the anthropologist, consists of data collected during fieldwork, archival data, library materials, and so on—to produce an argument, the end cause of the intellectual’s labour. Of course, the adequacy of a conceptual opposition can be questioned on logical and empirical grounds. While I can now see the need to revise some aspects of my analysis of PNG history, I have read nothing that convinces me that the logic of my fundamental conceptual opposition between gifts and commodities is in need of revision.

This brings me to the second confusion I see in the writings of my opponents: the meaning of ‘binary’ opposition. I have used the word ‘dichotomy’ or ‘conceptual division by the logical principle of dichotomy’ rather than ‘binary’ in the preceding discussion. This is because a distinction must be made between binary logic of the axiomatic type associated with George Boole (1854) and the logic of the ‘commonplace’ or ‘topical’ type. The latter flourished in Europe from the time of Aristotle to that of Milton in the seventeenth century but thereafter fell into desuetude. As mentioned in the previous chapter, the axiomatic opposite of a snake is a *not-snake*; the commonplace opposite is, to use an example from Indian logic, a *mongoose*. A mongoose is a ‘not-snake’ but the two concepts are not identical. My critics do not recognise this. Instead, the word ‘binary’ is used to cover both types of opposition.

Lévi-Strauss’s binary logic is in the Aristotle-Milton tradition, although he shows no awareness of this fact. Guha’s
logic, I would argue, is also in this tradition. This can be seen if we pursue the sense in which a mongoose can be said to be the opposite of a snake. The opposition is one of killer to killed. The Indian logicians used this image because the animals, which live in India, are natural enemies. The mongoose normally wins when the battle is against a cobra, a fact that has inspired the imagination of storytellers in India from time immemorial. This commonplace opposition is obviously of great generality and it appears in different societies in different forms. Commonplace opposition is either antagonistic or non-antagonistic. Anthropological thought has tended towards the former type of opposition. Take Lévi-Strauss for example. He finds order in the chaos of the ethnographic record by means of a cultural geography that establishes equivalence between, say, the drought-affected mythical thought of this tribe with the flood-affected thought of that. This theoretical operation, perfectly legitimate in its own terms, is premised on the denial of the chaos brought about by imperialism. This structuralist form of opposition is very close to Radcliffe-Brown’s (1958:123) ‘union of opposites’ which operates within societies to ensure their smooth functioning. Another variation can be found in Dumont’s (1980a:222) notion of ‘hierarchical opposition’, the idea that purity encompasses impurity in much the same way the human body encompasses its parts. Dumont’s theory denies the antagonistic coexistence of rival cognitions. Countless other examples of this type of denial can be found in the history of anthropology as Fabian’s thought provoking *Time and the Other* (1983) illustrates. Fabian draws attention to a fundamental contradiction in anthropological practice:

On the one hand we dogmatically insist that anthropology rests on ethnographic research involving personal, prolonged interaction with the Other. But then we pronounce upon the knowledge gained from such research a discourse which construes the Other in terms of distance, spatial and temporal (1983:xii).

With the benefit of hindsight, I can now see that it was precisely this that I was reacting to when struggling to come to terms with the ethnographic record on PNG. While I greatly
admired the work of the Melanesian ethnographers, it was as if colonisation never happened for most of them. There were some significant exceptions of course, and things have changed much over the past twenty years. However, books in the allochthonous mode continue to be produced.

*Gifts and Commodities* was an attempt to grapple with the commonplace contradiction brought about by colonisation: the power struggles between the powerful mongoose, represented by the unholy trinity of the Australian colonial state, capital (both mining and plantation), and the missionary, and the snake in the form of the bewildering complexity that is the economy, society and culture of village PNG. The affirmation of the existence of commonplace contradiction is, of course, an affirmation of the coevalness because a common-time contradiction (coevalness) is also a common-place contradiction.

As an attempt to come to terms with the specific contradictions of colonial PNG, the second part of *Gifts and Commodities* is already dated both because time has moved on and because new studies, such as the Carriers (1989), have emerged which highlight weaknesses in my account. What survives, though, is the general thrust of the conceptual argument presented in the first part of my book, although this, I can now see in the light of my fieldwork in India and the reading I have done since 1982, is in need of some modification.

Concept construction involves abstraction from specific historical, geographical, and anthropological situations and the formulation of logically coherent schema. On the logical side there is a need, as Fabian (1983:117) reminds us, for greater understanding of the commonplace logical tradition that informs anthropological discourse in so many unconscious ways. Unlike Fabian who uncritically accepts Ong’s negative representation of this tradition, I believe that its rehabilitation is essential if coevality is to be affirmed. Given the nature of this book all I can do here is to make the assertion and to demonstrate it implicitly under the cover of more substantive issues.
Let me begin by restating the logic of the fundamental opposition that informs *Gifts and Commodities* in terms of the following tree diagram:

This schema is a synthesis of the work of Marx, Lévi-Strauss and Sahlins (among others). A logical opposition between gifts (relations between non-aliens by means of inalienable things) and commodities (relations between aliens by means of alienable things) is the primary distinction. Continuous application of this principle of dichotomous opposition yields a finely graded set of ten categories. These do not form a continuum, the favoured linear image of those who prefer fuzziness to dichotomies, but rather a multi-dimensional semantic space analogous to that used by Roget in his original thesaurus.

It is one thing to construct a conceptual apparatus but quite another to use it to reveal the commonplace contradictions found in concrete situations, especially in comparative work when one’s raw material is the allochronic ethnography of
others. Ethnographic film offers one way around this because the immediacy of this medium allows the commonplace contradictions of daily life to peep through even in the most tightly edited film concerned to establish the contrary. In what follows I offer a brief analysis of how villagers draw the boundaries between gifts and commodities in contemporary PNG using the film *The Trobriand Islanders*. I then contrast this with the situation I found in India in order to introduce the themes that I want to develop in this book. To anticipate, I will argue that the framework above needs to be extended to include an anthropological conception of *goods*, a theoretical notion that is invariably confused with *commodities* in the work of my critics. I will also argue that Marx’s formulas of commodity exchange acquire new meaning when located concretely in the context of relations of consanguinity, affinity, and contiguity.

**GIFTS AND COMMODITIES: ‘TRIBAL’ INDIA AND ‘TRIBAL’ PNG COMPARED**

In the film *The Trobriand Islanders*, which lasts for 51 minutes, one sees an astonishing number of exchanges involving a large variety of things including yams, cooked taro, uncooked taro, tobacco, money, specially prepared banana leaves (hereafter bundles), grass skirts, manufactured cloth, betel nut, pigs, and many other things besides. The images flash by at a rate that makes it impossible for the commentary, when supplied, to do little more than give a one sentence description of a complex situation. For example, a voice-over during a 35 second sequence showing people sitting around a boiling cauldron at night says: ‘Men work into the night, boiling taro pudding for their sisters’. This verbal description is clearly inadequate in itself but the nature of the film medium is such that it matters little. For the anthropologically informed viewer the sequence is strangely familiar. It brings to life what one has read about in the ethnographic literature and one cannot help but locate the event comparatively from one’s own field experience. Thus the 35 second sequence, which delivers 875 frames of visual information, evokes many other images in the mind of the viewer and sets one thinking but not always in the way that
the anthropologist and film-maker want you to. Ethnographic film, then, can be treated in much the same way as the historian’s archive and, as such, even the worst film can teach us something and be used for something other than that intended. I am not, then, concerned with the merits or demerits of *The Trobriand Islanders* as a film but, rather, as evidence to prove that Appadurai’s image of the Trobriands as a ‘a non-Western, preindustrial, nonmonetised, translocal exchange system’ is wide of the mark and also to show that my distinction between gifts and commodities is not overstated. The film is a visual representation of the paradox that I was concerned with in *Gifts and Commodities*: the efflorescence of gift exchange in a world dominated by the values of the commodity. The film reveals how the Trobriand Islanders cope with the paradox both in their actions and in their verbalised thoughts.

First of all, the film re-affirms the general configuration of exchanges that the ethnographies have described. Every kinship relationship in Trobriand society seems to be marked by its own product. For example, cooked taro marks the relationship between brother and sister, uncooked small yams the relationship between wife’s brother and sister’s husband, and banana leaves and skirts the relationship between women of different matrilineal. The status of chiefs is marked by the familiar storehouses full of yams. But what about the exchanges involving money and commodities? How do the Trobriand Islanders handle the commonplace contradiction of gifts and commodities? On this question the film is very revealing.

As one might expect, the chiefs have appropriated the symbols of commodity status and wealth. The traditional yam house remains a symbol of his authority but also of importance today are the things that money can buy such as Benson and Hedges cigarettes, watches, cement for the graves of deceased chiefs, Toyota four-wheel drive vehicles, and so on. The borrowing and lending of money among chiefs has introduced a new element into their power game. As the commentator informs us at the film’s 34th minute:

In Omarakana village Paramount Chief Puliasi has a problem. As a new chief he had to spend most of his
wealth mourning his predecessor. Now he had to find cement to put on the grave. And cement costs money. Another chief, richer and older than Puliasi, has offered cash to get the job done. It is an act that undermines the Paramount Chief’s power.

Commoditisation has also affected relations between women but they have developed an ingenious means of overcoming the contradictions. In one sequence, which begins at 22 minutes and 45 seconds into the film (hereafter 22:45) a woman called Bomapota is filmed bartering stick tobacco, which she bought in the trade store for cash, for bundles of banana leaves she needs to give away in a sagali because of the death of her ‘aunt’. We are informed later (42:10) that her husband, like many other men in the Trobriands, supports his wife’s need for bundles by selling his carvings to tourists for cash. The trade store, one of the few in the Trobriands, is owned by Sarah Kalubaku, a University graduate and relative of Chief Nalibutau.

It is clear from this sequence that the Trobrianders make a number of important distinctions between different forms of exchange. The following figure, which shows the path of the transactions, helps us to see the general point behind the specifics.

\[
\text{carvings (C)} \rightarrow \text{cash (M)} \rightarrow \text{tobacco (C)} \rightarrow \text{bundles (C)} \rightarrow \text{bundles (G)}
\]

The four products assume three social forms—commodities (C), money (M), and gifts (G)—and describe three distinct circuits. The first is C-M-C, selling in order to buy, which converts carvings into tobacco. The second is C-C, barter, which converts the purchased tobacco into bundles. The third is the transformation of the bundles into a gift (C-G). At each stage the social form of a product under goes a transformation but the crucial transformation is the final one of bundles into gift. This particular strategy of gift creation is akin to what Andrew Strathern (1969) has called the ‘finance’ as opposed to the ‘production’ strategy. This roundabout way of acquiring a gift keeps the alien world of commodities at bay, not by erecting a cordon sanitaire around the island, but by providing a means by which commodities can become domesticated and transformed into gifts. From the point of view of human
relations this ideology is really a means to prevent Trobrianders from becoming strangers in their own island. The film in effect argues this point. It finishes (48:45) with the following revealing sequence where Bomapota and her son give verbal expression to the values that inform the actions previously shown.

_Bomapota:_ I want my son, Joseph, if he works for money to return here. And when he comes back and people come to see him, he has to help them with money. Not just a little bit. I want a large amount because if he gives people a little bit of money, people will say: ‘His father and mother stopped him from giving a lot of money’. So when Joseph goes to school and goes to work, I will advise him that when people go to him he must give them big presents.

_Joseph:_ Only some of us go to school. Some parents hold their children back in the village. I’m going to do training in whatever I can, and then I’m going to help my parents in the village. Yes, when I earn cash I will bank the money so that when I come back I can help my parents. We are all one group.

This ‘one group’ ideology finds its social expression in the four clan division of Trobriand society that functions to relate one to all by means of a complicated set of rules relating to sub-clans, land tenure, residential patterns and so on. We see the force of this ideology today in a sequence (40:30) involving Rose Acaripa. She owns a supermarket on the mainland and has returned to pay people at a _sagali_. In this sequence village women place the traditional banana leaf bundles and grass skirts in a pile on the ground. When it comes to Rose’s turn she places generous amounts of cloth and paper money on the pile instead of the traditional bundles. (The money is quickly appropriated by some men and the viewer is left wondering who they are and by what right they take the money.) Rose explains her actions in the following way:

_Rose:_ I have a name on the island now I have a big business. I have to show that I am a woman and I can do it. So I had to do it on my own and I just have to spend
how much I could spend... What I did was because I worked in the town. I have to put money in material, or clothes or whatever.

The forgoing is far from being an adequate analysis of the film but it illustrates my general point that the commonplace contradiction between gifts and commodities is a very real concern for the people on the Trobriand Islands. The six categories of gift exchange I have distinguished above in Figure II.1 are adequate for general comparative analysis but if one is concerned with the specificities of the situation in different parts of the Trobriand Islands then further distinctions are needed. But the problem I want to address in this book leads me in the opposite direction because my fieldwork in India has highlighted, for me at least, a more general problem with this conceptual framework.

In 1982 I carried out fieldwork on a rural marketing system in Bastar District, India, and have been back a couple of times since. Bastar District is to India what the Trobriands is to PNG in that it lies in a remote out of the way place, albeit in the centre of India. The region is one of the last economic frontiers in India in that it is still relatively heavily forested and one of the few areas of India without rail. A prominent anthropologist (von Fürer-Haimendorf, 1982: 201) once described it, rather inaccurately I was to find out, as an ‘unblemished tribal haven’. Fresh from my work on gifts and commodities in PNG, I set off to the field expecting to find many similarities with PNG, but how wrong I was.

Before I arrived in the field I paid an obligatory visit to the Commissioner of Tribal Welfare in Bhopal to inform him of my work. It was then that I heard the first of many versions of what I call the ‘Tribal exploitation hypothesis’. ‘The Tribal people of Bastar know nothing of modern ways,’ he told me, ‘and are ruthlessly exploited by shrewd merchants from Rajasthan.’ There is, of course, an element of truth in this. Who can deny that merchants try to buy at the cheapest price and sell at the dearest? Nevertheless, the idea that the village people are innocent, passive victims of the commercial world is a stereotype image of the kind that I found was wide of the mark. What struck me was how thoroughly commercial the people of Bastar were in their dealings with each other. It was
as if commodity exchanges structured the lives of villagers in Bastar in the way that gift exchanges did in PNG. Not only did a commercial morality pervade everyday relations between people, I also found it in their rituals and myths.

Bastar District is thoroughly integrated into the national economy through a flourishing system of periodic markets. This means that any one village in the district is no more than a few hours walk away from some market or other every day of the week. Women specialise in the marketing of village produce and many go to the market every day taking with them a few kilos of rice or home-grown vegetables to sell in order to buy the imported commodities they need like kerosene, cooking oil, clothes, jewellery, and so on. Itinerant traders are forever wandering around the villages with things to sell; small stores can be found everywhere. Relations between households within a village are highly commercialised too. Take Mr. P.Gardener of Minipur village for example. I could never understand how he managed to survive because he and his sons had insufficient rice land to support their big family. However, Mr Gardener spent most of the day sitting around playing his flute and looking relatively prosperous. The riddle was solved one day when I saw a neighbour climb his palm tree, extract the wine, and pay him for it in both cash and kind. Mr Gardener, it transpired, had one of the few palm trees in the village and he extracted a monopoly rent from it. His caste, it should be noted, smoke marijuana but do not drink and the wine is sold to a caste that drink but do not smoke.

These observations led me to pose some questions. Where are the boundaries of commodity exchange in Bastar? Is there no domain that is free from the alienating influences of commodity exchange? One can understand why Trobriand ethnographers have concentrated on the gift to the exclusion of the commodity but why are there almost no studies of commodities and markets in India? Market studies abound in Indonesia, in Mexico and in other places but why not in India? Why have Indianist anthropologists been so fixated on purity and pollution and caste? It seemed to me that mercantile profit and loss, rather than purity and pollution, was the central opposition in the Indian society I was observing.

As I delved into the myths and rituals of the people I found more evidence for the ideological significance of a commercial
morality. The boundary of the world of commodities is marked by a ritual called *haat nikarani*, literally the ‘coming-out market’. This ritual is performed ten days after the death of a relative to lift the taboos that follow death. The family members concerned set up a symbolic market at cross-roads in their village where they pretend to buy and sell. They are free to attend the weekly market when the ritual is over. This ritual has been around for at least fifty years and possibly much longer. Elwin (1947:157) describes a ‘mock bazaar’ that is held some distance from the market. In these rituals old clothes, bits of wood, seeds and beans are laid out for sale on the ground as if in a real market. For money broken pieces of an earthen pot are used. He also describes a situation where the villagers go to the nearest market to buy parched rice, gram and liquor. They walk around the shops scattering rice and gram; they then visit the grave of the dead man, offer him a drink, and ask him to return home with them.

The following myth told by Mr. Jaidev Baghel, an aboriginal artisan from Kondagaon, provides further insights into attitudes towards markets in India.

It is said that in the olden days there was a market under a banyan tree. A cyclone came as it was being held. A pregnant woman had come to the market to sell vegetables. When the cyclone hit people ran for cover in all directions but the pregnant lady was unable to move due to the onset of labour pains. The woman gave birth to a baby girl under the banyan tree but, because of the unbearable pain of childbirth, she died. After the death of her mother the baby started to cry out in hunger. Having heard her cries, the banyan tree took pity on her. One of the hanging fibrous roots of the banyan tree then came into the mouth of the baby. The baby, thinking that it was her mother’s nipple, started sucking. As she sucked, juice from the tree flowed into her mouth. Many days passed in this way with the baby obtaining her sustenance from the juice of the tree. One day a woman saw the girl. It is said that the woman was barren. Upon seeing the girl the woman thought, ‘O Bhagwan, how kind you have been to me.’ Having thought this she felt very happy and, having lifted the girl up, took her home. Her husband was also
very pleased to see the baby. But they thought that if they
told people how they got the baby then the mother would
come and take her back. The woman then made a bundle
of cloth, placed it on her stomach, and started to tell
people she was pregnant. After four to six months she
said that she had given birth and showed the baby to the
villagers. The girl grew day by day. Right from
childhood, the girl liked to eat good food, to wear fine
clothes, ornaments and make-up. The village children
used to play with her too. She loved everybody and used
to teach them about religious and moral matters. Even
though only young, she used to talk like a mature
experienced person. News of her teachings spread
throughout the region. People came to see her. They used
to listen to her teachings and follow them. In this way she
was able to form an army from her followers and began to
punish amoral people. She was very helpful to moral
people. The king of that region was very amoral. The king,
on hearing of this woman’s boldness, started a war with
her. The woman’s army had insufficient weapons. The
king defeated them and took them prisoner. After some
days he released them. After their release, they again
prepared for war with the king. Another war then started.
The king was defeated in this war. To celebrate their win,
they organised a burnt offering under a big banyan tree. At
that very moment the king and soldiers suddenly
appeared and started to beat them. Then they told the girl
to surrender or they would kill everybody. The people
were unarmed at this time. The girl said, ‘Kill me but let
the children go.’ ‘No! No!’ shouted her comrades, ‘You
have helped us like a mother.’ ‘Even though you are
younger than us you have loved us like a mother,’ they
added. ‘We will never let you surrender to the king.’ ‘I am
one person and if my death saves the lives of many others
then I will be very happy,’ she said. ‘But,’ she added, ‘be
careful and don’t forget my teachings.’ On saying this, she
jumped into the fire pit and died. Then they said, ‘Look,
see how much she has loved us throughout her life and
today she has sacrificed herself to save us.’ From this day
people began to call her ‘Maybali’. From this word
‘Maybali’ (Lit. mother-sacrifice) the name ‘Mabali’ and
then ‘Mavli’ was derived. And from this day Mavli Mata worship began in the Bastar region. A special fair called Mavli Fair was started in her memory and is still going.

It would take some time to unpack the messages of this myth but it suffices to note here that a banyan tree is found in almost every large market. The market, symbolised by the banyan tree, does not have negative associations; indeed, it seems to have a positive maternal association. Negative feelings are reserved for the divine king whose family has been ruling Bastar for many centuries. The people of Bastar, then, are not one big family as in the Trobriands. For someone like Jaidev who identifies himself as an Aborigine, the King is an alien, a Hindu outsider whose family colonised the region some 20 generations ago; but for many natives of Bastar whose origin myths identify them as Hindus, the king is looked upon as a father.

For Jaidev ‘family’ means, first and foremost, his immediate family. The terms used are ghar, kutumb, bus, thok, and jat; these may be glossed as household, family, clan, lineage, and endogamous group respectively. These groups serve to define the Other as a non-jat and because artisans are landless these groups cannot be mapped onto a piece of territory as they can in the Trobriands. But territoriality remains an important concept: it exists as a form of consciousness that binds people together around the notion of a homeland. Temples in various locations mark the religious centres of the ghar, kutumb, bus, etc.; the distribution of the jat members throughout the district creates a sense that Bastar District as a whole is their aboriginal homeland.

For Jaidev ‘family’ also means the various jat that make up the Paramparik Bastar Shilpi Pariwar, the Traditional Artisan Families of Bastar. This group has official institutional status today and Jaidev is its Chairman. Its aim is to fight for the right of artisans to land, education and the general well being of the community against the many foreigners who have colonised the District such as government officials, land-seeking migrants from neighbouring districts, and the wealthy merchants from Rajasthan. For people like Jaidev, all these people are foreigners. But the latter do not see things in this way.
Take the government officials. They say that the Rajasthani merchant is the ‘real’ foreigner because they exploit the Tribal people whereas the government is there to help them. As always, there is some truth in this claim but this must be seen in the light of the distinctions merchants draw between themselves and the government officials. The merchants say that the officials use them as scapegoats to divert attention from the fact that many civil servants engage in invisible transactions of dubious propriety with timber dealers and other transactors of commodity wealth. Of course, not all civil servants are corrupt but one thing is clear: the relations that bind civil servant and timber dealer have little in common with the kinship relations that bind market traders together.

Mercantile capitalists observe a simple principle: they must buy cheap and sell dear. However, it is not the percentage difference between buying and selling price that is important but the absolute value of commodities sold. It is one thing to buy something for Rs 1 and to sell it for Rs 6 to make a 500% profit of Rs 5 but quite another to buy something for Rs 10,000 and to sell it for Rs 10,200 to make a 2% profit of Rs 200. Anti-merchant stories are full of figures of dazzling profit rates but these stories miss the crucial point that it is the amount of trading capital that is all important. One way to acquire the trading capital is by means of credit, but who is going to advance it? The Rajasthani merchants have solved this problem. They have a long history of migration and they operate in markets all over India. However, they maintain their kinship links with each other and with their homeland. Hereditary Bards record these connections in books that trace genealogies back over hundreds of years. Life-cycle rituals performed in the birthplace of ancestors serve to renew the living relationship between widely scattered kinsmen. These links create a consciousness of territoriality which extends over the whole of India and the patrilineal and patriarchal groups so defined are reproduced by the endogamous exchange of three crucial prestige items: language, women, and credit:

Language: Marwari is the mother tongue and the basis of the coded commercial script used in ledgers.

Women: marriages are carefully planned and alliances are only made with those families recorded in the books
of the genealogist. Credit: herein lies the secret of the wealthy merchants’ success for mercantile credit is the supreme gift in a mercantile family.

Mercantile kinship, then, gives the landless Marwaris the sense that all-India is their aboriginal homeland and the currency of mercantile credit defines Brothers and Others. The former are those to whom trading credit is given, the latter those to whom consumer credit is advanced. For consumers like Jaidev, consumer credit is the bitter-sweet milk of the banyan tree; it is the basis of the ambivalent relationship that makes the customer dependent upon the merchant. Consumer credit therefore enables the merchant to travel to places in Bastar today where many a corrupt forest guard fears to tread. The recent history of violence in Bastar suggests that they have good grounds for these fears. It also suggests that villagers make a clear distinction between clan brothers, mercantile traders, and the hated Others who plunder their forests for profit.

Poor aboriginal artisans like Jaidev and rich immigrant merchants like the Marwaris are landless. However the bulk of the population in Bastar consists of small landed families who produce commodities for sale on the weekly markets. Families own small holdings of land that consist of scattered plots that have tended to get smaller and smaller as population has increased and land has become scarce. Here is what I believe to be the crucial difference between the political economy of PNG and that of central India. Land tenure in PNG is, for the most part, in the hands of the clan and assumes a variety of local forms throughout the country. Perhaps the only generalisation possible is that land boundaries are extremely fluid and subject to endless dispute, especially in those areas where the population density is high. In India, by way of contrast, the land tenure system is a variation on a general pattern found in many parts of Asia, Europe and America. In the language of Marx (1894:xlvii, v) the farmers of Bastar are ‘peasant proprietors of land parcels’ but this term, and the theory that informs it, needs to be revised as we shall see in the next chapter.
THE ‘INDIAN’ GIFT AND THE NEED FOR A THEORY OF GOODS

My observations on commodity exchange in India are consistent with some of Parry’s. He argues that commodity exchange in India is not only morally neutral but morally obligatory for certain castes. Parry, who conducted ethnographic fieldwork among some Brahman funeral priests of Benares, also reports that ‘dire moral peril’ attaches to certain kinds of gifts (dan). Funeral priests receive gifts from the family of the deceased that transfer sin (pap) from the giver to the receiver. Raheja’s (1988a) research, based on a village study in north India, suggests that gifts of this kind, previously unnoticed by other ethnographers, may be of widespread distribution in India. Raheja shows that the dominant caste transfer inauspiciousness to Brahmans by means of dan. In one of her many case studies she describes the ritual the parents of a young boy had to perform to ensure his well being and to prevent his early death. The ritual was necessary because the eclipse demon, Rahu, occupied one of the houses of his horoscope and dan had to be given to a Brahman from a distant village to remove the faults (dos) and afflictions (kast) engendered by the presence of Rahu at his birth. A mediator, a local Brahman, transferred the inauspiciousness from the boy to the dan, which took the material form of black cloth, black shoes, a black clay model of a water buffalo, a small amount of gold, and other sundry items, using the principles of contagious magic. The recipient, an outside Brahman, picked up the dan and left. The moral neutrality of commercial transactions in India, then, contrasts sharply with the negative valuation placed on the giving of dan to Brahmans, an evaluation, Parry (1989) notes, which inverts the evaluations made by people in Melanesia and elsewhere.

This case, as Parry (1986:463) argues, poses a number of difficulties for our general theory of exchange. It consciously repudiates Gouldner’s (1960) universal ‘moral norm of reciprocity’. Dan, Parry stresses (1986:462), ‘must be alienated, should never return, and should endlessly be handed on.’ In other words, dan is something for which there is no obligation to return. Given that reciprocity, inalienation and the obligation to return are the central defining characteristics of
the gift, what is at stake here is the very notion of the gift itself. Parry’s theoretical response is somewhat contradictory. In an early article (1980) he argued that dan only has the appearance of contradicting Mauss’s theory that every gift creates an obligation to return. Nothing is returned, he says, because dan is ‘its own counter-prestation’ (1980:105, emphasis in the original). In a later article (1986) his response was to say that the contradiction is real, that there is no obligation to return dan-type gifts, and that dan is an example of a ‘pure gift’, by which he means an unreciprocated gift with Maussian ‘spirit’. ‘Where we have spirit,’ he argues (1986:463), ‘reciprocity is denied; where there is reciprocity there is not much evidence of “spirit”’.

The notion of an ‘unreciprocated’ gift is a contradiction in terms because reciprocity, along with the inalienation and the obligation to return it implies, is the defining characteristic of a gift. If dan is unreciprocated then the very notion of the gift is at stake. Parry’s opposing theories on the matter give him an each way bet; however his ethnographical description is a model of clarity and it allows for more than one interpretation.

From a humanist perspective, the ‘norm of reciprocity’ is a value that has reciprocal recognition between people as its basis and power as its means of reproduction. Sanctions, such as the threat of witchcraft, are behind the obligation to repay as Firth pointed out long ago. But what happens if there is no reciprocal recognition? There are two logical possibilities, asymmetrical recognition and indifference, and it is the former that provides the basis of a subalternate interpretation of dan.

Reciprocal recognition presupposes agreement as to the meaning of a transaction. This agreement is more likely to occur among insiders who, because of relations of contiguity, have been able to develop it over time and who are more likely to have a mutual interest in maintaining their relationship into the future. As Raheja (1988a) reports, transactions involving dangerous dan must be with outsiders. But what she does not note is that a relation between an insider and an outsider creates the possibility for disagreement as to the meaning of a transaction. In other words, asymmetrical recognition is possible when aliens are involved.

Consider Parry’s data on the rituals of death in Benares. Two priests are employed to handle the soul of the deceased as it
changes its form from ghost (pret) to ancestor (pitr). Mahabrahman funeral priests, who enjoy the anomalous status of impure and highly inauspicious Brahmans, perform the dangerous rituals involving pret that last for eleven days after death. A household priest, or hereditary pilgrimage priest if he is not available, perform the rituals involving pitr. The Mahabrahman accepts highly dangerous gifts in the name of the deceased person’s ghost and the hereditary priest accepts much safer gifts in the name of the ancestor. The relationship of a lineage and their household priest is, by definition, an ongoing one; their relationship with the Mahabrahman, by contrast, is once off. The givers of dan, for their part, have no desire to sustain a long-term relationship with the funeral priest who has accepted sin-infested gifts; the recipients, for their part, have a system for the allocation of funeral rights based on time of the year rather than a fixed clientele which ‘helps to maintain the anonymity of the specialist’ (1980:96).

This alienated relationship between the priest and his client allows for asymmetrical recognition of the significance of the event. In other words, rival cognitions of the transaction become possible. The givers of dan identify the Mahabrahman with the ghost of the deceased; they give him sajja dan that should consist of the standard requirements of daily life such as a year’s supply of grain, cooking utensils, bedding, clothes, and so on. ‘The idea,’ Parry notes (1980:96), ‘is that the offerings are received by the deceased in the next world.’ In other words, the recipient, from the givers’ point of view, is the deceased; the priest is a mere mediator and the material form of the dan the mere vehicle that the non-material sin attaches itself to. The Brahmans, for their part, have an ideology that reciprocally recognises this interpretation of the event. Thus, ideally, the receiver rids himself of any sins by giving away with increment the dan he has received to other Brahmans and/or by ‘turning away’ from them and assigning them to various deities (Parry, 1980:103; Heesterman, 1985: 37); the correct and meticulous performance of daily rituals and the repeated recitation of various sacred formulae are also essential, and Hindu law forbids any commercial-like negotiation over the size and material form of the dan.

The family of the deceased have an obvious emotional investment in a religious interpretation of the event, an
interpretation that derives its meaning from their bereavement, their religious beliefs about malevolent spirits, and their anxieties about their own future well-being among other things. The funeral priests, by way of contrast, have little emotional investment in a religious interpretation of the event. The limited tenure of their rights to cremation sites oblige them to view the matter in economic terms. This fact, combined with the poor family circumstances of many of the funeral priests and their ignorance of Sanskrit formulae and ritual, means that an economic interpretation of the transaction becomes an issue. As a result, the size and content of the gift offered by the bereaved to the deceased becomes, for the priest, a commodity with a negotiable price. The mourners, aware of the priest’s reputation for avarice, may offer substantially less than custom demands; the priest protests and marketplace-type acrimony follows (Parry, 1980:96).

Rival cognitions of this kind create contradictions: the transaction is now a gift, now a commodity according to the play of reciprocal and asymmetrical recognition. These vary as much between the transactors as they do within them over time. Priests, like all human beings, are not simple-minded economic men; they are complex human beings motivated by many conflicting passions and thoughts. As such, their avarice has its ideological costs. Many liken themselves to a sewer through which the moral filth of their patrons is passed, a sewer which becomes a cess-pit from which one may contact leprosy and die. As an economic occupation, then, the work is religiously very dangerous and concerns about the latter may outweigh the profits of the former and different employment sought.

The dilemma facing the dan-receiving Benares funeral priest arises because of a contradiction between Brahmanic values and the values of a coeval Indian mercantile world. These contradictions do not arise for all receivers of dan. The marginalised, poverty stricken, low status people throughout India have developed a subalternate value system that reconciles the contradictions facing the receiver of dan. Their theological economy redefines the ‘unreciprocated gift’ as a ‘partial repayment of commodity debt’. Guha (1985) develops this argument in his analysis of the myths of Rahu, a deity who appears as a demon in the Brahmanic value system and as a
god in the subalternate value system of some Untouchables. The following is a very brief account of the essence of these subalternate values.

During an eclipse low caste people demand dan from members of the higher castes. In Gujarat, for example, as soon as the skies begin to darken the Untouchable Bhangis go about shouting Garhandan, Vastradan, Rupadan, ‘gifts for the eclipse, gifts of clothes, gifts of silver’ (quoted in Guha, 1985:16). Brahmanic myths of Rahu, some of which have been reproduced by O’Flaherty (1973), suggest that, from the standpoint of the elite castes, ‘these gifts can only be regarded as a price they have to pay for the return of peace in the heavens and purity on earth’ (Guha, 1985:16). These myths tell the tale of the battle between the gods and demons over the Elixir, of how the gods stole it from the demons, and how Rahu, in his disguise as a god, was decapitated when he was discovered drinking the Elixir at their celebrations. But from the standpoint of the outcaste recipient a different interpretation of dan is construed as the following myth suggests:

The sun and the moon were brothers. A hungry worshipper came to them, saying, ‘I am poor and hungry. Give me something to eat.’ The brothers went to a sweeper-woman and said, ‘Give this man grain’. She had a bin in which were all kinds of grain. She agreed to give grain to the beggar for a year. She was directed by the brothers to take the grain out of the bin from below, and they agreed to fill it by putting grain in from the top. During the year the sun and moon were unable to fill the bin, and when the year was up, the woman said, ‘Now pay me, for the bin is not full.’ They were unable to pay her and hid themselves. Now, when eclipses occur, the worshippers of the sun and moon collect various kinds of grain, mix them, and distribute them to beggars, and thus deliver the sun and moon from shame (Briggs, 1953:545; reproduced in Guha 1985:18).

This myth, and its variants, have widespread currency among low status communities. Crooke (1926:41), in his survey of ‘popular’ religion, noted that ideas like this ‘may be at the root
of the common belief about Rahu’ and Guha’s essay convincingly demonstrates that this is the case. The implication of this material is that the obligation to repay is conspicuously present from the receivers’ point of view: what the elite conceptualise as an obligation to give a gift, the subalterns see as unpaid commodity debt. As Guha (1985) notes, the myths and rituals of Rahu are an expression of an unresolved antagonism between the dominant and the subordinate. If one ritual action contains three actors of different rank then it is logically possible for the giver to have one interpretation of events, the receiver another, and the mediator a third. Logical possibilities of this kind are realised when there is no reciprocal recognition between the parties and this, I suggest, is precisely the situation that characterises the alienated relations between those who accept Brahmanic values and those who do not. Thus while the notion of an ‘unreciprocated gift’ is a contradiction in terms, the notion of ‘unreciprocated dan’ is not when dan is defined, from a disputatious subalternate standpoint, as a form of commodity exchange.

The fine grained ethnographic research of Parry and Raheja raises the general question of the transfer of bads, the generic word I will use to describe the transfer of impurities, inauspiciousness, sin, and the like. Bads inflict the rich as well as the poor, high status people as well as the low; gift exchange is but one means among many by which it is transferred.

In Bastar District, for example, bads are exorcised from a village by ritually dumping them, in the wet-season month of bhadon (August-September), on the northern-most border of a village at a ponhcani post. The northern recipients of these bads transfer them from the south of their village to the north and so it goes on, according to my informant (Mr. M.S.Mali), until all the accumulated bads reach Keshkal ghat, a mountain pass at the northern extremity of the district. Here they are ritually dumped over the edge of the cliff. The repository of this evil is the goddess Bhangaram whose main temple is at Keshkal and whose distinguishing sign is a black flag. Bastar District has very few Brahmans and this ritual, when placed in the comparative context of the material reported by Parry and
Raheja from Brahman-intensive north India, can be seen as their means of coping with the problem of bads.

Of course, a bad presupposes a good, an opposition that takes on agreed meanings when there is reciprocal recognition, and discrepant meanings when there is not. Thus, from the standpoint of Brahmanic values, an eclipse is a bad whose evil influences must be transferred with dan while, from the standpoint of the worshippers of the Rahu, it brings goods, commodities or money.

This brief discussion raises the general question of the theory of goods. As seen in the last chapter, neoclassical economists have dominated thinking about this matter over the past century. Their marginal utility theory of value is from the perspective of the Market and individual cognition. The perspective of the House, based as it is on reciprocal and asymmetrical recognition, suggests that there is room for an alternative theory of goods. In Gifts and Commodities my opposition to neoclassical theory was such that I conflated a particular theory of goods with the notion in general. I can now see that neoclassical economists have no monopoly on the term, that the history of thinking about the subject goes back thousands of years, and that a new anthropologically informed theory of goods is needed. The basis of such a theory already exists, if in a somewhat embryonic form, in the anthropological literature. This issue will be addressed in the next chapter.

NOTES

1 See, for example, Strathern (1988), Werbner (1990), Thomas (1991), Taylor (1992), and Carrier (1995).

2 A top public servant I visited in 1978 had a large mwali (armshell) hanging on his wall that he received through a Port Moresby kula exchange.

3 Note that this involved 1000 lower level classes, grouped into six secondary philosophical categories and arrayed according to the principle of antithesis. The logic of Roget’s system is like that of the colour cube but most modern day versions use the alphabet as the sole logical principle of construction.

4 The very title of the Comaroffs’ (1990) article ‘Goodly beasts, beastly goods: cattle and commodities in a South African
context’ illustrates this. Here goods = cattle and bads = commodities which is much the same argument made by Taussig (1980), a person the Comaroffs accuse of employing ‘facile dichotomies’. Appadurai’s theory, as we have seen, makes similar equations. Taylor (1992:9) has noted this contradiction in the thought of the Comaroffs and opts for the gift/commodity distinction because it ‘approximates the indigenous discrimination’.

5 Raheja (1988) reproduces this conventional orthodoxy in her extraordinarily rich ethnographic analysis of gift exchange in a north Indian village. I questioned this orthodoxy in my review (Gregory, 1992) of her book. Judging from her response to my comments (see Raheja, 1993) it seems that she has misunderstood the issue I was trying to problematise. I hope that the foregoing analysis clarifies what I see to be the theoretical implications of Guha’s work for anthropological theory.

6 See, for example, von Wright (1963).
CHAPTER III
Land as the Supreme Good

Of goods ill got
The third heir joyeth not
(Seventeenth century English proverb)

WHAT IS A GOOD?

There comes a time in the life of an anthropologist, often towards the end of their fieldwork, when informants reveal the existence of certain highly valued possessions. From an outsider’s perspective these objects often have little intrinsic value; but, from the insider’s perspective, they are very highly valued and this is manifested in the reverential way the objects are handled and the strong emotional reactions they evoke. I shall call these objects goods and introduce my discussion of this form of value by means of a few concrete examples in order to clarify the problem that I want to address.

On the 8th February 1990, Mr. M.S.Mali, a member of the Gardener caste and resident of Bastar whom I first met in 1983, was showing me the many gods that he worshipped. We spent over a week touring the village and its surroundings taking photographs of the various icons and talking about the stories behind them. When our work was over at the end of this long, tiring week, we were sitting in his house relaxing when he said that he still had some more icons to show me. We went into a small room of his house where two clay pots were strung above a small altar in the corner of the room. Before we touched anything he got some ganga pani (Ganges water) from a brass pot and washed the altar to purify it. He then carefully removed four small metallic objects from the
clay pot, the iconic forms of his family gods (*kuldev*), and put them on the altar. One of these objects, an old silver rupee coin, was Dulha Deo, a god who was there ‘from the very beginning’. Another, a postage stamp sized piece of silver with an image of the Hindu goddess Durga stamped on it, was Rat Mai ‘whose power is greater than Bhagwan when she assumes the form of Durga’. The remaining two pieces of postage stamp sized metal, one gold the other one silver, represented the Seven Sisters, (*sat bahin*).

There should be seven of these [Mali noted] but we only have two. When these seven *sakti* make one, that *sakti* is called *adisakti* (original female power). The *adisakti* made the earth, Ram, Krishna, Vishnu, etc. Rat Mai and the Seven Sisters are mother goddesses and they, along with Dulha Deo, gave birth to our family. They are the family deities for all the Naik clan (*thok*) but they are kept here in my house because I am from *the pujari* branch (priestly lineage) of the clan. They came here when my elder brother died and his son will look after them when he grows up. These gold and silver images are not mine. They belong to the Naik clan. They should be kept in our family temple but I keep them here so that they don’t get stolen.

Compare Sahlins (1994:392):

Not far from Suva, in the village of Cautata, Poate Matairavula a few years ago showed me a small wooden chest, set in the furthest corner of the rear right-hand bedroom of his ‘European-style’ house. The space was the modern equivalent of the most tabu part of the old Fijian house (the *loqi*), where the head of the family slept with his wife and reproductive forms of wealth were stored, including seed yams and the weapons that procured cannibal victims. The wooden chest, Matairavula explained, was the ‘basket of the clan’ (*kata ni mataqali*), holding the collective treasure in whale teeth. Passing with the leadership of the clan, the chest was a palladium, a sacred safeguard of the group. So long as it was intact,
Matairavula said, the *vanua*—the land, including the people—will be preserved.

Another case comes from Papua New Guinea where Libi Gnecci-Ruscone was working in a village that had been converted to Christianity over four generations before. She was talking to a member of the village about their old beliefs when he asked if she would like to see the ancestral relics of his family. As the man got up to remove the relics from the roof of his house he was completely overcome with emotion, so much so that he had to call the interview off and made no attempt to touch the relics again (Gnecci-Ruscone, pers. comm.). Yet another case comes from the elite families of Texas studied by Marcus (1985:237) who observed that certain objects are transformed into ‘sacred property’ with a high ‘domestic exchange value’. These include both objects with a high commodity value, such as a paintings, houses, and land, and trivial inexpensive items such as pocket knives, combs, and lucky charms. By ‘domestic exchange value’ he means the ‘powerfully sentimental meanings that an object acquires by its possession and transference and in the memories that it evokes among descendants’.

In rural areas land tends to be the special subject of affective valuation of this kind. Consider the recent statement by Hopi Religious Leaders:

Hopi land is held in trust in a spiritual way for the Great Spirit Massau’u... The land is sacred and if the land is abused, the sacredness of Hopi life will disappear and all other life as well... The Great Spirit has told the Hopi Leaders that the great wealth and resources beneath the lands at Black Mesa must not be disturbed or taken out until after purification when mankind will know how to live in harmony among themselves and with nature. The Hopi were given special guidance in caring for our sacred land so as not to disrupt the fragile harmony that hold things together... To us it is unthinkable to give up control over our sacred lands to non-Hopis. We have no way to express exchange of sacred land for money. It is alien to our ways. The Hopis never gave authority to anyone to dispose of our lands and heritage and religion
for any price. We received these lands from the Great Spirit and we must hold them for him, as a steward, a caretaker, until he returns (Knudston and Suzuki, 1992: 137).

Examples like this can be drawn from all over the world and from all times. Annette Weiner has drawn some of these together in her *Inalienable Possessions* (1992:38):

Landed property is another category of inalienable possessions as the examples from the Middle Ages show. [Simmel (1982:240) considered that landed property was valued above any utility it might have because men had ‘a relation of sovereign power over the soil’.] But even centuries later, Veblen (1899:38)...recognized how land acts as the primary ‘standard of wealth,’ with estates acquired from ancestors even more honorific that those gotten through one’s own acquisition. Throughout American society, land is still used as a measure of a family’s history and prestige. During the 1970s, while doing fieldwork in a small Texas town, a few of my wealthy informants impressed upon me that among the elite, the accumulation of money could never substitute for extensive land holdings even if the land itself was economically unproductive. Nonprofitable acres were often bought so that a person’s heirs would be unable to sell off or subdivide the property. Today, almost one-third of the land mass of Britain is owned by titled families. As Ilse Hayden (1987) points, the aristocracy remains wealthy today, despite the public’s impression that they are on the verge of ruin. An important measure of that wealth is in landownership. These attitudes towards land would come as no surprise to ancient Athenians who believed that the sale of land was not only an offence against their children’s inheritance but against their ancestors because the dead were buried on such land. [Similar beliefs occur among the Wape of Papua New Guinea whose ancestors’ ghosts reside within the lineage land to ensure the fertility of its resources (Mitchell, 1987).] Furthermore, loss of land inevitably led to the loss of aristocratic status because, as Smith was to
warn the aristocracy centuries later, without land, one was forced to become a trader, artisan or laborer—all degrading occupations and, for the ancient Greeks, prohibiting them the right to vote.

These examples signal the argument I want to develop here which is that, in an agrarian economy, land is the supreme good; that the transformation of things into goods involves the creation of a culturally specific notion of scarcity; that, ideally, a good is a priceless non-commodity whose value as a good is to be explained with reference to historically specific relations of consanguinity; and that when goods become commodities the price they fetch may be higher or lower than that which market valuation theories would predict. A central defining characteristic of goods, then, is scarcity and the question arises as to how the scarcity is culturally created and maintained. It is not sufficient to merely assert, as culturalists are want to do, that scarcity is a ‘cultural construction’ and to leave it at that. Cultural constructions have human builders and the radical humanist’s task is to reveal the identity of these builders, to describe the tools they use, to define the form of their construction, and to critique their ends. Culturalists and humanists agree on one thing though, the idea that scarcity is not a natural phenomenon even though it may have a natural basis. Scarcity, for an anthropologist, is defined with reference to historically specific human relationships of inclusion and exclusion whose borders are marked by the creation of inalienable possessions, ie. goods, under the control of trusted guardians. Silver rupee coins are in abundant supply but the one chosen by Mr. Mali’s ancestors to represent their family god is unique so far as Mr. Mali is concerned.

ANTHROPOLOGICAL APPROACHES TO THE THEORY OF GOODS

Anthropological approaches to the theory of goods are still very much in their infancy. Indeed, the terms of the debate have not even been agreed upon: some people talk of goods, others of inalienable possessions, and yet others of valuables. Nevertheless some progress has been made. An antithesis—the neoclassical rational choice approach to goods—has been more
or less clearly defined and a thesis is beginning to take shape. The intention of this chapter is to make a modest contribution to the ongoing process of shaping this alternative theory by presenting some theoretical speculations and illustrating these with selected ethnographic evidence. My discussion makes no claims to be a comprehensive synthesis; it does little more than clarify the terms of the debate.

The anthropological literature on the topic is a complete terminological, conceptual and theoretical muddle where terms such as ‘gifts’, ‘commodities’, ‘goods’ and ‘money’ are used interchangeably. Culturalists, we have seen in the last chapter, see this as a theoretical virtue. Even a sophisticated value theorists like Dumont, who would be the last to see any merit in fuzzy thinking, is prone to conceptual confusion on this point. Consider the following:

[E]conomists speak of ‘goods and services’ as one overarching category comprising, on the one hand, commodities and on the other, something quite different from commodities but assimilated to them, namely services. This is incidentally an example of relations between men (services) being subordinated to relations to things (goods) and if we were to study, say, a Melanesian system of exchanges, it would come nearer to the mark to reverse the priority and speak of ‘prestations and goods’, I mean ‘prestations’ (relations between men) including things or encompassing their contrary, things (Dumont, 1980b:225, emphasis added).

This argument establishes an equation between commodities, goods and things on the one hand and between prestations and services on the other. The fact is that a service can be a commodity and things can be gifts. The confusion is overcome by distinguishing the general form of the relations between things and people from the specific cultural form that the relations between things and people can assume in contingent historical settings. Without these conceptual distinctions the valuation process, and the switching strategies that valuers adopt, becomes impossible to understand.

The conceptual muddle is not complete however and a sympathetic reading of the literature can uncover some
important insights. Foster’s (1965) controversial theory of the limited good notes the important association between goods and scarcity. Gell (1986), building on the work of Douglas and Isherwood (1980), takes us well beyond the neoclassical conception of consumption by noting that what distinguishes consumption from exchange is not that consumption has a physiological dimension that exchange lacks, but that consumption involves the incorporation of the consumed item into the personal and social identity of the consumer (1986:112).

Consumption is a pivotal process in the history of a good because it is the means by which things, be they gifts, commodities or use-values, become goods. On this point, Weiner makes the important observation that food is the most ineffectual inalienable possession [read good] because its biological function is to release energy rather than store it. Therefore, in its use to humans, food changes, deteriorates, or perishes. So significant is this loss to those without extensive durable things that, in some cases, attempts are made to transform food into more permanent words or things. Among the Wamira of the Papuan coast, the genealogical histories of taro plants are sacred inalienable knowledge, whereas on Goodenough, one of the Massim Islands, strings tied around long yams presented in competitive exchanges are kept hidden for many years, publicly revealed only in sudden political confrontations so as to prompt memories about past events (1992:38).

But a critical reading of this literature is also needed if the theory is to be developed. I focus here on the contributions of Gell and Weiner: Gell because his essay deals with Bastar District and is of direct ethnographic relevance; Weiner because her book, InalienablePossessions, is the most recent general account of the problem.

Weiner never uses the word good in her book but it appears as a zero sign in the subtitle which reads The Paradox of Keeping-While-Giving. In my terms, her book deals with the
politics of switching from goods (keeping) to gifts (giving) but in a context which, for the most part, denies the coevality of the imperial commodity. The only mention of the word commodity is a footnote reference to a debate an article of mine (Gregory, 1980) provoked. ‘The underlying problem with this debate,’ she asserts (1992:191), ‘is its grounding in a simple opposition between gift and commodity.’ The nature of the ‘underlying problem’ is not made clear and given that her own approach is grounded in an opposition between alienable and inalienable possessions, notions that lie at the basis of my distinction between gifts and commodities, the reader is left feeling somewhat bemused.

My use of the concept ‘alienation’ in Gifts and Commodities has provoked the most vigorous and telling criticisms of my book. The notion is a problematic one but the task is to refine and develop it rather than to drop it as many of my critics want to do. Inaliation is the centrepiece of Mauss’s theory of the gift. I personally reject Mauss’s mystical notion of the ‘spirit’ in the gift but the idea that there is an ‘indissoluble bond’ of some form or other between giver and gift is difficult to dismiss. The power of this idea was brought home to me once when I was putting my (then) five-year old daughter to bed. I found an envelope under her pillow with the words ‘To Polly with love from Nerida’ on the front and a few strands of hair inside. Polly, I noticed, had a gap missing in her hair and the detached hair, she told me, was given to her friend Nerida. This example illustrates the need to distinguish between three quite distinct relations: (1) that between Polly’s body and the hair that grows on her head; (2) that between Polly and the hair she gave Nerida; and (3) that between Polly and the hair that drops to the hairdresser’s floor. The first, (1), is a relation of part to integral whole; (2) an inalienable relation of a gift exchange kind that has ongoing significance for her relationship with Nerida; and (3) an alienable relation of a commodity kind that has no ongoing significance for her relationship with the hairdresser (which does not rule out the possibility of her establishing an ongoing relationship with the hairdresser because, say, she likes the way the hairdresser talks to her). Considered abstractly, the cultural significance of these three relations can and will vary with the particular historical context of the transaction being considered. An
Australian Aboriginal man having his hair cut in Aurukun, for example, will ensure that no hair is left lying around for fear of sorcery (David Martin, pers. com.). With respect to (2) it is important to note that Polly loses possession of her hair but maintains a meaningful relationship to it. Her hair, in other words, is detached but not alienated. In (3), by way of contrast, no significant relation is maintained and the bond between Polly and her hair is one of unmeaning. This important distinction has been missed by my critics.

Consider Gell (1992). He objects to my distinction between gifts and commodities for the following reason:

Objects are alienated in gift exchanges. In making a prestation, the donor loses access to the exchange-object, which passes to another, and with it the power to donate that object to a different recipient, whereas the recipient gains both of these. In making a prestation, an object of value is ‘sacrificed’, and the prestige, power, etc. conferred by the act of giving are proportional to the consensual evaluation of the onerousness of the sacrifice involved. What is not ‘alienated’ in gift-giving is not the gift-object itself, but that which cannot be alienated, namely the social identity of the donor, which still attaches to the object after it has been given away. But there would be no increment of glory to the ‘name’ which clings to the object after it has been given away, unless the giving-away of the object were a genuine sacrifice or ‘loss’ to the giver expressible as a series of opportunity costs incurred in not holding onto the object (for consumption or for disposition in some alternative, and possibly more advantageous way) (Gell, 1992:145, emphasis added).

Gell’s distinction between alienated and not ‘alienated’ (with quotes) corresponds to my distinction between detached and not alienated. I reject the idea that there has to be a genuine ‘loss’ in the detachment before there is an ‘increment of glory’ to the name. What ‘sacrifice’ has Polly made in giving Nerida a few strands of hair? What ‘opportunity cost’ does a Trobriand chief suffer when he gives away a decorated armshell that has no use-value? If there was genuine loss in an exchange then
the *detachment* would become an *alienation* of the type that occurs when Marx’s proletarian walks home without his surplus-value after a hard day’s work in the factory.

Let me now come to the problems I have with Weiner’s notion of *inalienable possessions*. What makes a possession inalienable for her is ‘its exclusive and cumulative identity with a particular series of owners through time’ (1992: 33). This notion is derived from her thinking of *kula* objects, objects which must be *given* not *kept*. There is a tension here between giving and keeping but it is resolved always in favour of the former. As such, *kula* objects contrast sharply with the sacred objects of the type under the guardianship of Mr. Mali of the Naik clan. These objects must be *kept* not *given*; they are goods not gifts. This important distinction is missing from Weiner’s work with the result that she confuses *inalienable keepsakes* (goods) with *inalienable detachables* (gifts). The former are valued because, among other things, they store memory of ancestors; the latter are valued because they are the sign of contemporary alliances such as those created between men of renown. Furthermore, we must speak of guardians rather than donors or owners when talking of goods. Donors may acquire status and prestige when they give whereas guardians may be punished if the keepsakes in their possession are not successfully guarded. A guardian’s status is ascribed rather than achieved; on the death of one guardian another succeeds him. One cannot speak of transfer here because, again ideally, the good does not move. Alienation is not an eternal property that attaches to a thing; it is a cultural classification whose duration is dependent on contingent historical, geographical and anthropological factors. Just as the word ‘book’ can be now a noun, now a verb depending on the grammatical context, so a thing can be now a good, now a commodity, now something else depending upon the social context. The task of the analyst is to look behind the valued thing to the political relations between the valuers.

**TOWARD A THEORY OF THE HOUSEHOLD PROPRIETORSHIP OF GOODS**

Land tenure in Bastar is a classic example of what Marx (1894) called ‘peasant proprietorship of land parcels’, an extremely
widespread form of land tenure that is found throughout Asia and in many places in Europe and other parts of the world. This form of tenure stands opposed to household proprietorship of consolidated land and the two are species of *household proprietorship of inalienable farmland*. There are other forms of inalienable land but these two are, without doubt, the most politically significant forms both globally and historically.

Without doubt? This is a large claim and I make it in opposition to those who see Europe as the homeland of private property, the market, the state. These values are just as much part of India’s heritage as is caste. If the uniqueness of India is to be found in its high status Brahmanic household polity, the uniqueness of England is its high status landed household polity, the proprietors of inalienable *consolidated* land. This powerful household polity owes its existence to the form of the capitalist state that developed in England around the time of the industrial revolution. This state was founded on a paradox that has gone largely unnoticed. On the one hand the laws of the English state facilitated the growth and development of a form of capitalism where buyers and sellers could transact *commodities* of the purest *alienable* form ever created; on the other, the development was underwritten by laws which saw the emergence of one of the purest forms of *inalienable* property ever created, the farmlands of the elite landed households. If the English state could be said to have adopted a laissez faire approach to the Market, it did precisely the opposite to the institution of the House. The laws, which prevented land from becoming a generalised commodity, created the necessary (but not sufficient) conditions for capitalist agriculture to flourish. The commodity-centric approach of Political Economy has blinded its practitioners to the significance of this fact. Marx, for example, completely abstracts from the politics of the House. His analysis of capitalist ground rent and ‘peasant proprietorship’ is from the perspective of the *producers* of marketable products and not from the perspective of the *guardians* of land. The result is that he, like all subsequent theorists in this tradition, have not been able to develop a satisfactory theory of the value of scarce things, and the notable absence of the word *goods* in the Political Economy literature is the outward sign of this fact. As
such their approach to the ‘laws of motion’ of capitalist transformation of agriculture is problematic. They see this process as a necessary movement from ‘peasant proprietorship’ to ‘capitalism’ brought about by a process of differentiation among the peasantry. The word ‘peasant’ here is a shorthand for ‘pre-capitalist’ and the word ‘capitalist’ is based on the unexamined assumption that land is a commodity. But the fact is that farming based on household proprietorship of land parcels actually flourishes in a market economy; furthermore, the historical success which households in Europe and Asia have had in maintaining land as a good reveals that the two types of good—parcelised and consolidated—can coexist without any necessity for the former to turn into the latter because of the ‘laws of motion of capitalism’. Commodity-centric theorists who have failed to see the paradoxical role of goods in the development of capitalism are invariably led to assert that the process of differentiation is ‘blocked’ by the ‘ideological’ structures of caste and kinship (Harriss, 1982:9). The ‘blockage’, as usual, is in the theory not the reality it tries to describe. Theories of this kind have informed official theory in the former U.S.S.R. with tragic consequences; equally tragic, too, is the tendency for the Marxist historians of the U.S.S.R., such as Hobsbawn, to blame the peasantry for the shortcomings of their own theories. Hobsbawn’s (1994:390) description of Russian villagers as ‘a collection of peasant and animal herding peoples mentally living in the Western equivalent of the eleventh century’ is an illustration of what I mean.

To understand the generality of the Bastar case, then, it is necessary to begin with a brief description of the specificity of the English case. This comparison will reveal the human politics behind the creation of scarcity and the means by which the value of inalienable keepsakes (goods) are reproduced.

English farming is unique in the sense that farmlands have traditionally been controlled by elite families who needed to keep land off the market in order to reproduce themselves. The development of capitalist agriculture in England owes much to the barriers to the free trade in land that these families set up. These barriers are the product of a unique form of elite household economy that evolved over time, one where the law
of the state played a crucial role. The essence of the system was an arrangement involving primogeniture and legal entailments which rendered the land inalienable and reduced the status of a guardian to that of mediator between the dead and the unborn. The arrangements, notes Habakkuk (1950:15), conformed to a standard pattern.

In its essentials the marriage settlement first secured that the family estate should in each generation descend to the eldest son. It did this by limiting the interest in the estate of the father of the husband and, after him, of the husband himself, to that of life-tenant, and entailing the estate on the eldest son to be born of the marriage. Secondly, the marriage settlement empowered both the father and husband to raise jointures [ie., money revenue] for their respective wives and portions, ie., capital sums, for their daughters and younger sons when they came of age.

Thus the eldest son received the farmlands, the wives money revenue, and the other children money capital. The eldest son also inherited the problem of finding the money for the jointures and portions. The prudent course, as Habakkuk noted, would have been to save, but the normal practice was to borrow.

Figure III.1 depicts these relationships in a slightly simplified form.

This was the basic building block of a system whose dialectical complexity becomes apparent when it is realised, for example, that one man’s wife is another man’s daughter and that she gets money revenue from one and money capital from the other.

The role of the state was crucial in that it provided the legal framework for this particular system of household economy to work. Indeed, the development of this common pattern in the eighteenth century was to a considerable extent the result of technical changes in the land law (Habakkuk, 1950:16). Demography, too, played a crucial role for it is obvious that the system presupposes that the male line reproduces itself.

From the perspective of market economy this system is a barrier to the free trade in land, a barrier that has its basis in
the principles of household economy. Such a system is implicit in Sraffa’s (1960) theory of rent. It is also implicit in Ricardo’s theory but the evidence is that he understood it much better as suggested by his oblique reference to a seller of land being ‘almost always under the necessity of selling’ (1817: 154). This ‘necessity’ has its basis in demographic failure of the male line and the historical evidence suggests that this was the most important factor in bringing land onto the market (Clay, 1968:510, 517). For example, the period 1680–1750 saw many land sales because the male reproduction rate in elite families fell below 100% throughout this entire period.

Elite families were not the only kind of landed family found in nineteenth century England but they were, it seems, the predominant one. As Marx noted: ‘John Bright’s assertion that 150 landlords own half of England, and 12, half the Scotch soil, has never been refuted’ (1867:322, fn 2). A brief history of primogeniture in England since 1500 has been written by Thirsk (1984), who notes it was common among the nobility in the sixteenth century.

FIGURE III.1 General form of the marriage settlement among eighteenth century English landlords
and seems to have been deemed by common consent the most acceptable practice for family and state reasons. It reduced strife among brothers when the eldest automatically took the leading position; it maintained the status of the family; and it preserved a class of rulers in society. In general it did not cause excessive hardship to younger sons because the nobility had the means to provide adequately for all. The hardships were felt most keenly among the gentry because their means were not sufficient to provide decently for younger sons (Thirsk, 1984:368).

She adds (1984:372) that

in the eighteenth century the aspirations of the gentry filtered down to the next class below, and produced yeomen who followed the rule of primogeniture and, in order to make the assurance doubly sure, settled their estates. Primogeniture gained ground among the middle classes and provoked another controversy, centring upon that class, in the nineteenth century.

The legal history of primogeniture and entailments provides additional insight into the difference between the two types of household polity I have distinguished. The household proprietorship of consolidated land owes its existence to the state and, in particular, to the development of a legal form, the legacy, that enables the testator to deny the living guardian the right to alienate it. Where goods take the form of land parcels the household polity exists despite the state; here succession is ‘universal’, as the lawyers say, and the new guardian assumes the legal personality of the old along with all the filial duties that involves. Compare Hunter (1900:149–50):

The earliest notions of succession to deceased persons are connected with duties rather than with rights, with sacrifices than with property. In the Hindoo Law, the heir or successor is the person bound to offer the funeral rights required for the comfort of the deceased’s soul; and even in the Roman Law there are wanting indications of the same fact. The property of the deceased was the
natural fund to provide the expenses, in some systems of
religion by no means inconsiderable, of the necessary
religious ceremonies. In Roman Law...the heir was
considered to stand in relation to third parties as more
than a representative of the deceased, as actually
continuing his legal personality. The heir succeeded to
all the rights and liabilities (in universum jus) of the
decreed...the heir was bound to pay all the debts of the
decreed, even if he obtained no property from him
whatever. An insolvent inheritance was thus a veritable
dannosa hereditas.

The establishment of the republican state, from which the
ideology of egalitarianism springs, emphasised the separation
of law from religion. Political economy becomes separated
from political theology and a highly prestigious secular good is
born where its bads are equated with the debts of the deceased
rather than his or her ghost. In those families that have kept
the state at bay—those whose reproduction does not require
the intervention of the state—bads retain a theological as well
as an economic meaning and guardians, as we have seen in the
last chapter, have to perform rituals to protect the value of the
goods under their control. But theological values of this kind
also have a political aspect and it is these political relations
that are the key to understanding the value of smallholder
parcels. What is at stake here, then, is political theology not
simply religion.

The comparative work done on smallholder farming enables
us to assert that household proprietorship of land parcels is
usually associated with production for a rural periodic market
using family labour and animal-drawn ploughs. ‘Family
labour’ is an elastic term that includes those people
reciprocally recognised as family members be they close kin or
those adopted into the family by whatever means. Parcelisation, the main concern of this chapter, shows an
astonishing uniformity across time and place. Map III.1
illustrates the classic form of parcelisation. This map shows
the division of land in the village of Novoselok in North Russia
in the nineteenth century. It can be seen that the land consists
of a mixture of arable land, meadows, forests, lakes and bog-
land divided into a number of strips. Each household has a
portfolio of these strips that gives them access to land of various quality in terms of soil type, topography and distance from the homesteads and roads. In this case, some fifty five
parcels—shown by the black strips—makes up the holding of one household. In areas where the land is of a more uniform quality and of higher fertility the number of parcels, argues Lewinski (1913:50–51), will be much less. (He illustrates this with a map of the village of Pavlovka in the fertile South where arable land, which accounts for almost all the village land, is divided into only eight strips.) Lewinski notes that parcelisation of this kind existed in Germany, England, Scotland, Wales, Russia, Java, India and elsewhere. Why, he asks (1913:49), is arable farmland divided into small scattered plots rather than consolidated into one large plot?

The principal cause of this system’s origin lies in the fact that the soil is very unequal in quality. Already the first settler, taking possession of unoccupied land, has his fields scattered because it is difficult to find one continuous piece of land which would satisfy all the requirement of cultivation, which would give equally a good crop of oats, of spring corn, of wheat and of rye. Again, with the good land are usually found patches of bad land which is not worth cultivating. Finally the concentration of one man’s land into one plot exposes it uniformly to the climatic peculiarities of the locality.

The implication of this argument, which has been put by many others as well, is that the problem to be explained is the relatively unusual English-style consolidation rather than the more widespread parcelisation. But, as the brief discussion of the English case above suggested, the underlying value problem is one of understanding the historical, geographical, and anthropological specificity of the relations of consanguinity, affinity and contiguity of the place in question. Wherein, then, lies the specificity of the value of parcelised plots?

According to Baden-Powell (1892:223) the valuation process of land parcels is based on two principles:

(1) the right—held by any class—consequent on first clearing and reclaiming the waste;
(2) the right claimed by the military and superior caste or ruling races, in virtue of birthright or inheritance, which really meant that the land had been obtained by conquest, grant, or some form of superior might, and that the descendants who inherited it regarded it as their ‘birthright’.

The process by which land acquires value as a good by means of labour of the first clearer is different for meadows, forests, and arable lands. Land necessarily degrades with use and labour must be expended to maintain its value. Grazing cattle, for example, can damage a meadow if unrestricted access to ever increasing numbers of cattle are allowed. It can be protected by the erection of fences. The act transforms the meadow from being a natural good into a household good and the household that expends the labour will assert the property right. The creation of arable land, too, requires the expenditure of labour: meadows and forests must be cleared, drained, levelled, manured and fenced before they can be used productively. Such labour is a form of capital investment and is only an option for those households who are not ‘too poor to farm’ (Hill, 1982:69). Such once-off appropriative labour improves the value of land but subsequent annual exploitative labour—ploughing, sowing—degrades it and must be countered by natural and artificial means of fertility renewal.

With the intensification of agriculture a given plot of forest land undergoes a series of transformations. At first it is a natural good unused by people. Common usage gives way to temporary private possession and, finally, to permanent possession through the expenditure of appropriative labour which creates the ‘right of the first clearer’. The latter form of labour has long been recognised as the crucial determinant of the value of a good. In old Russia they used to say that land was property ‘as far as the axe, the scythe and the plough go’; in India the ancient laws of Manu declare a field to belong to the person who first cleared it; evidence for similar sentiments can be found from many different parts of the world (Lewinski, 1913:13). This ancestral labour principle not only gives the household permanent use-rights and the power to bequeath land (the path of goods) it also gives it disposal rights to sell (the path of commodities).
The ancestral labour principle, in turn, leads to two standards of value both of which have their origins in scarcity. Compare Lewinski (1913:39–40)

When scarcity begins to be felt the original proprietors cling more closely to the land they possess. But with the continuous growth of population and the consequent increase of the dissatisfied members, the struggle between the opposed interests becomes more and more acute. For the poor, the only means of improving their condition is to claim part of the land of the rich. They base their claim on the communistic principle, on the ‘theory’ that the soil is a gift of God, that it is no man’s land, that it is common property, and that, in consequence, all those performing equal duties have the right to equal shares.

The rich, on the other hand, advocate the right of every one to own the occupied soil, and try to justify it by the principle of labour and of first occupation. ‘Our lands have been tilled by our grandfathers and great-grandfathers; is it our fault that the parent of others lived in idleness?’

The struggle is not always merely verbal. Those who have not sufficient land sometimes try to take it from the rich by force; as, for instance, among the Cossacks, it sometimes happened that the poor with their ploughs invaded the land of the rich with the intention of appropriating them. These attempts usually ended in a fight which resulted in broken ploughs and pierced heads.

Among the Russian peasants of Europe the passage to a division of land was accompanied by arson, by disputes in which knives and clubs were used, and sometimes even by murder.

Population growth, then, is accompanied by an assertion of ancestral rights over a good that denies other people a right of access. A good, then, needs a guardian to defend those rights, a guardian whose job it is to give access to those who reciprocally recognise his right to act on their behalf. Culturally constructed scarcity of this kind can arise both when land is ‘naturally’ abundant relative to a given
population and when it is in short supply, as we shall see in the following case study of Bastar.

A BASTAR CASE STUDY

Bastar is one of the richest forest regions of India with over 65% of its 39,060 sq. kms. officially classified as forest. Bastar is also one of India’s most sparsely settled districts with a population density of 39 people per sq. km. The population numbered just over two million in 1991, 96% of whom live in rural areas. Almost all rural dwellers practice settled rice cultivation and live land that has been cleared for cultivation, some 20% of the total land area. However, the forest plays a vital role in supplying a multiplicity of products to supplement the diet and income of rural dwellers.

Population has grown rapidly in Bastar as a result of population growth and the immigration of land-hungry settlers from neighbouring regions. This has led to a demand for cultivated land, a demand that has been met by encroaching onto forest areas. In the past encroachers have been given legal title to their newly cleared land by the government on payment of a small fine. The government is now concerned to stop this practice. Not only is it concerned with the ecological consequences of the process but also with the loss of revenue foregone from exploiting the area as a state forest. Government attempts to stop the trend have rendered cultivable rice land scarce in many areas of Bastar. The conflict between the government and the people of Bastar over land use has a long history, but the problem has become particularly acute in recent years.

Consider now the cultivators’ perspective. The dilemma facing them is presented statistically in Table III.1 which shows the relationship between the rural population and land use in Bastar from 1931 to 1991.

During this period the population trebled while the area under cultivation increased by only 80%. The period from 1931 to 1951 was a period of relative land surplus. As the population increased, the forest land was encroached upon. The period from 1951, by way of contrast, was one of relative land scarcity. Encroachable forest land became scarcer and the
farm holdings per household became smaller as more people were forced to live on the same area of land.

Production methods and techniques do not seem to have changed over the past 60 years. Only 1% of all land is irrigated and this on consolidated plots owned by recent migrants from the Punjab and elsewhere. Rice is the main crop of the villagers and this is grown once a year on rainfed land that is ploughed by bullocks or cows using a simple wooden plough. The seed is broadcast by hand, and manure is used as fertiliser if a farmer can afford it. The transplantion method of sowing is growing in popularity. This brings better yields but at the cost of more labour time, which is always in short supply around sowing time. The unchanged technology, coupled with population growth has contributed to the problem of land scarcity. This squeeze on land has led to an intensification of marketing activity and economic diversification rather than an intensification of production. This process is best understood by means of a case study of two contrasting villages, Minipur and Latipur.

Table III.2 shows the land use trends for Minipur village for the period 1921 to 1981. This village is an interior village some 46 kms from Kondagaon, the central market town in the region where I worked.

The general trends discussed above are very much in evidence here. In 1921/22 only 184 acres, representing 25% of all village land, was cultivated. As population increased due to higher birth rates and intra-Bastar migration, the cultivable area increased to 300 acres by 1954/55 and 371 acres by 1980/
81. Officially only 92 acres were still under forest in 1981/82 but, in reality, no village forest land is left because the 92 acres have already been appropriated and converted into paddy fields. The encroachers will, in the course of time, get the land registered in their names. They will pay the small fine required by law, and the bribe demanded by the land records keeper (patwari), and get official title to the land. It should be noted that the land frontier in this village was reached much sooner than it otherwise would have been because of the government’s forest policy. Prior to 1951 the village land totalled 731 acres, but the appropriation of 257 acres of this for a reserved forest teak plantation reduced the total area to 474 acres. Land is now very scarce in Minipur and the consequences of this will be examined in detail below.

Consider now Table III.3, which shows comparable data for Latipur village, a small village on the national highway near the market town of Kondagaon. In the thirty two year period to 1954/55 some 121 acres of forest land was encroached upon, which meant that the land under cultivation more than doubled. However, in the period to 1980/81 only 36 acres of forest land was encroached upon. Forest land has declined accordingly from 86% of total village area in 1922 to 65% in 1981. Land is now scarce in this village because the remaining forest land has been declared a reserved forest and, like all reserved forest areas of Bastar, is policed by forest guards to prevent further encroachment.

In order to understand the underlying political implications of these macro level changes in Minipur and Latipur it is
necessary to delve a little deeper into the class and caste structure of the two villages.

Table III.4 classifies the households by size of holdings and by the official caste or tribe classification. The first notable contrast is that Minipur has a relatively egalitarian distribution of land while in Latipur it is very unequal. In Minipur most households have holdings of less than 10 acres, and no one has a holding of greater than 25 acres. In Latipur, by way of contrast, 14 of the 23 households are landless, and one household has over 25 acres of land (66 acres to be precise). The second notable contrast is that in Minipur the land is divided relatively equally between Bastar Hindus and Bastar Tribals, with a slight bias in favour of the latter, while in Latipur almost all the land is owned by Hindus, all of whom, as we shall see (Table III.5), are immigrants.
These figures are further disaggregated in Table III.5 which gives details of the land/population ratios by caste for each village. The dominant group in Latipur are Brahmans and they possess over 6 acres of land for every member of their caste. The subordinate group are the Bastar Tribals, the majority of whom are landless. This group used to work as bonded labourers for the biggest Brahman land-owning family, but they were freed under Mrs. Gandhi’s 20-point programme. Nowadays a few members of this group continue to work as daily labourers for the Brahman landlord, but the majority earn their living by selling firewood and cut grass (for cow feed) in Kondagaon. In Minipur there is no dominant group. The Maraars (Gardener caste) own approximately the same amount of land as the people officially classified as Tribals. The Maraars have origin myths which identify them as immigrants but, from an anthropological point of view, there is little to distinguish them from those officially classified as Tribal. The genealogies I have collected show continuous residence in Bastar for upwards of ten generations, they speak the local languages, and worship many of the same gods as the so-called Tribals. There are, of course, many differences between the various Bastar groups but when the Bastarians are compared to the immigrant Hindus, most of whom have only lived in Bastar for two or three generations at the most, the cultural differences between the Bastar groups pale into insignificance. In other words, the significant economic and cultural distinction in Bastar is not the official one between Tribal and Hindu but the anthropological one between Bastarian and Immigrant.

While Minipur and Latipur were both established at the same time in the late nineteenth century, Minipur is more representative of the ‘typical’ Bastar village as Simeran Gell’s (1992: Ch 4) work confirms. Most of the cultivators of Bastar are smallholders of this type. In other words, land tenure in Bastar is a classic example of what Marx called ‘peasant proprietorship of land parcels’. Latipur is representative of the new villages that are being established near the major towns in Bastar. Both villages were established as a result of migration. But in the case of Minipur it was intra-Bastar migration whereas for Latipur it was inter-Bastar immigration. Intra-
Bastar migration between villages was very common during the land surplus period, but it is rare nowadays. Inter-Bastar immigration, by way of contrast, was rare in the pre-1947 period but is very important today.

Towards the end of the last century, the Raja of Bastar encouraged Brahmans to settle in Bastar by giving them land grants. He also had a new road built over the Keskhal ghat, which considerably shortened the distance to Raipur. This also led to some immigration which included the father of the major land-owning family at Latipur. Some merchants who arrived in the post-1947 wave of immigration, and who now live in Kondagaon, have also purchased land at Latipur. The landless residents of Latipur are migrants from other areas of Bastar. They left their own villages for a variety of reasons, including family quarrels and landlessness.

A question arises as to why landless people in Bastar have not managed to encroach onto the forest land and become farmers themselves. There are many reasons for this. Firstly, many of them are too poor to farm, a paradox that is, as Polly Hill (1982) has repeatedly pointed out, common in many smallholder farming communities. Land is useless for farming purposes unless one has the basic capital of bullocks and seed. These items are simply beyond the reach of many people. Farmers usually have the necessary skills to make wooden

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**TABLE III.5 HOUSEHOLD OWNERSHIP OF LAND BY CASTE AND ORIGIN: TWO VILLAGES COMPARED**

<table>
<thead>
<tr>
<th>Caste</th>
<th>Manipur village Land (acres)</th>
<th>Latipur village Land (acres)</th>
<th>Land per head</th>
</tr>
</thead>
<tbody>
<tr>
<td>Immigrants</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brahmans</td>
<td>-</td>
<td>118</td>
<td>6.21</td>
</tr>
<tr>
<td>Christians</td>
<td>-</td>
<td>14</td>
<td>3.50</td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
<td></td>
<td>1.00</td>
</tr>
<tr>
<td>Bastarians</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marwaris</td>
<td>176</td>
<td></td>
<td>1.00</td>
</tr>
<tr>
<td>Tribals</td>
<td>163</td>
<td>41</td>
<td>0.49</td>
</tr>
<tr>
<td>Other</td>
<td>10</td>
<td></td>
<td>0.34</td>
</tr>
<tr>
<td><strong>TOTAL RESIDENT</strong></td>
<td>354</td>
<td>173</td>
<td>1.05</td>
</tr>
<tr>
<td>Non-residents</td>
<td>17</td>
<td>77</td>
<td>0.00</td>
</tr>
</tbody>
</table>
ploughs and other implements. They may also have a plentiful supply of family labour to draw on. But seed and bullocks must be purchased and finding the cash or credit to do this is the stumbling block. A second reason why landless people have not encroached on land is because the conversion of forest land to bunded paddy fields requires an enormous investment of labour. First the trees have to be felled and burnt, then the stumps cleared, then the ground levelled. Every day is a struggle for survival for landless people and they haven’t the time for labour of the kind that gives no immediate return.

The government has a policy of granting 5 to 10 acres of deteriorated forest land plus Rs 500 cash to landless people in Bastar and many people have benefited from this policy. Those Tribals with land in Latipur acquired their land in this way. However, the policy does not apply to urban areas. When Kondagaon was upgraded in status to an urban area in the mid-1970s, all villages within administrative control were also upgraded. This included Latipur, and hence a generation of young landless Tribals became ineligible for this land grant by administrative fiat. This then is a third factor accounting for landlessness in the particular case of Latipur.

Given this background we can now proceed to a more detailed analysis of the means by which different households in these two villages create and reproduce land as a valued inalienable keepsake.

Table III.6 provides data on the types of land transactions carried out in Minipur over the period 1921–1981. Encroachment onto forest area was the most important type of transaction during the period 1921–1954, accounting for 40% of all transactions. These encroachments effected a transfer of land from the government to villagers. Another important type of transaction during the first period was the appropriation of abandoned land. This was a feature of the land surplus days when intra-Bastar migration was high. With the development of land scarcity this mode of transfer has ceased to exist. Intra-village migration is very much attenuated nowadays, too. Emigration is usually restricted to those without land. Members of landed households engage in migration of a seasonal nature with the cultivator returning to his land during the sowing and harvesting season.
With the development of land scarcity in Minipur, inheritance has emerged as the most important mode of transferring land, accounting for 59% of all transactions in 1955–1981. Sales, by way of contrast, only accounted for a minuscule 1% of land transactions in the second period. In the land surplus period to 1954 no sales were recorded.

Similar trends are apparent in the data for Latipur shown in Table III.7. Inheritance and encroachment are the main modes of land transfer, in terms of land area, in the land surplus era. The category ‘no transfer’, which accounted for 64% of all land transactions in 1955–1981, represents land that will ultimately be inherited. The figure is unusually high, because the principal land owner in this village (who first arrived in Latipur in the late nineteenth century), was still alive in 1982 and still had land registered in his name. More land has been sold in this village compared to Minipur which can be explained by its proximity to Kondagaon. Nevertheless the amount of land involved, only 28 acres in the period 1955–1981, is still small both in absolute and relative terms.

The consequences of the growing land scarcity are dramatically illustrated by the data on inheritance patterns from Minipur. Figure III.2 shows the transmission of land down three generations of the dominant landholding family at Minipur. The original holding in 1921 was 51.93. This was increased by 26.18 acres through encroachment onto forest lands and reduced by 8.52 acres through sales, giving a balance in 1981 of 66.59. However, whereas the original

<table>
<thead>
<tr>
<th>Type of transaction</th>
<th>1921–1954</th>
<th>1955–1981</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. Land area (acres) (%)</td>
<td>No. Land area (acres) (%)</td>
</tr>
<tr>
<td>Inheritance</td>
<td>5 94.24 31</td>
<td>22 217.38 59</td>
</tr>
<tr>
<td>Appropriation of abandoned land</td>
<td>5 57.09 19</td>
<td>– 0</td>
</tr>
<tr>
<td>Encroachment onto forests</td>
<td>21 119.90 40</td>
<td>5 70.80 19</td>
</tr>
<tr>
<td>Sales</td>
<td>– –</td>
<td>6 9.52 1</td>
</tr>
<tr>
<td>No transfer</td>
<td>– 29.01 10</td>
<td>– 73.51 21</td>
</tr>
<tr>
<td>TOTAL</td>
<td>31 300.24 100</td>
<td>33 371.21 100</td>
</tr>
</tbody>
</table>
holding was the joint property of three brothers, the expanded land holding is now the private property of 13 of their male descendants. Thus the landholding per male land owner has fallen from 17.35 acres in 1921 to 5.40 acres in 1981. Had it not been for the build up of the holding through encroachment there would have been only 3.99 acres per head in 1981.

The division of this land has not been equal because of accidents of birth and migration. The original holding of 51.93 acres, together with an additional 5.4 acres acquired by encroachment, was registered in the name of Bisram, the youngest of three brothers and the only surviving brother in 1921 when the land was surveyed. On his death, the land was divided 20% for the descendants of the first brother Biju, 50% for the descendants of the second brother Tiju, and 30% for the descendants of Bisram. It is interesting to note that Gopi, a descendant of the brother who got the smallest share, is now one of the biggest landowners in the village. The reason for this is that Gopi’s father, Lakhmu, was able to double the size of his share by encroachment and was able to pass the whole 21.97 acre share down to Gopi without division. Gopi’s three uncles were entitled to a share of this estate but forfeited it when they migrated to Aamgaon, a neighbouring village, where they were able to encroach on good forest land. Gopi’s brother was also entitled to a share, but he died childless. Thus, it was this fortuitous combination of circumstances that has left Gopi one of the biggest landowners in the village. Had his father’s brothers not migrated his inheritance would have

<table>
<thead>
<tr>
<th>Type of transaction</th>
<th>1921–1934</th>
<th></th>
<th>1955–1981</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>Land area (acres) (%)</td>
<td>No.</td>
<td>Land area (acres) (%)</td>
</tr>
<tr>
<td>Inheritance</td>
<td>3</td>
<td>44 20</td>
<td>3</td>
<td>17 7</td>
</tr>
<tr>
<td>Appropriation of abandoned land</td>
<td>2</td>
<td>10 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Encroachment onto forests</td>
<td>19</td>
<td>123 58</td>
<td>9</td>
<td>46 18</td>
</tr>
<tr>
<td>Sales</td>
<td>2</td>
<td>9 4</td>
<td>3</td>
<td>28 11</td>
</tr>
<tr>
<td>No transfer</td>
<td></td>
<td>27 13</td>
<td></td>
<td>158 64</td>
</tr>
<tr>
<td>TOTAL</td>
<td>26</td>
<td>213 100</td>
<td>15</td>
<td>249 100</td>
</tr>
</tbody>
</table>
been a mere 4.38 acres and would have left his three sons virtually landless with a shares 1.46 acres each.

Gopi’s cousins have not had his good fortune; most of them are now virtually landless. Tiju’s three sons divided his share in the proportion 20%, 20% and 60%, with the youngest son, Indal, getting the lion’s share. However, Indal had seven sons (from three wives), with the result that his 17 acres was subsequently divided into small plots of 2.5 acres each. Naragu’s 12 acres has been similarly divided amongst his five sons. Hiradhar has benefited most out of this lot for the simple reason that he was an only son. Five acres is sufficient to support a family with difficulty; on two acres it is impossible. Land scarcity is now a reality for the descendants of Tiju and Bisram. There is no longer any forest land to encroach upon.

The actual legal transfer of land is shown in Figure III.3. Prior to 1958 the family lived in one house and the land was owned jointly. Today, there are twelve houses, and the land is owned individually. This break down of the joint family, coupled with the fact that brothers do not die in the order they are born, accounts for the pattern of the actual legal transfers. The head of the joint family in 1921 was Bisram, and all land was registered in his name. On his death most of it was registered in his son’s name (Naragu) who subsequently redistributed legal title to his cousins (Indal and Phaganu) and his cousin’s son (Hiradhar). Use-rights in land are usually distributed long before the actual legal transfer takes place. Thus, the amount of land a man has legal right to often bears no relation to the land he actually cultivates, as was the case with Naragu in 1954. The land records are therefore useless for analytical purposes unless many hundreds of hours of painstaking research is carried out with them in order to construct the real picture using genealogies and land maps.

The break down of the joint family was due to population pressure in the process of transformation from a land surplus to a land shortage situation, or, what amounts to the same thing, from a labour shortage to a labour surplus economy. Had land remained abundant and labour scarce perhaps two or three new joint families would have been formed. However, given the scarcity of land and increasing economic diversification, the raison d’être of the joint rural family as a
A mobiliser of labour was lost and twelve households, each owning tiny scattered plots of land, were created. Maps III.2a and III.2b show the effect of this transformation on the division of the family's 57 acres of land. In 1922 the mobiliser of labour was lost and twelve households, each owning tiny scattered plots of land, were created.

Maps III.2a and III.2b show the effect of this transformation on the division of the family's 57 acres of land. In 1922 the mobiliser of labour was lost and twelve households, each owning tiny scattered plots of land, were created.

FIGURE III.2 Division of a farming household in Bastar
was one holding of 7 plots. By 1982 this had become five holdings of 32 plots. This pattern of land holding is a classic example of household proprietorship of land parcels.

One’s wealth in terms of land is, as we have seen, largely determined by accidents of birth: the more brothers one has, the less one is likely to inherit. However, brothers do not inherit equally. Many factors conspire to bring this about. For example, a gap of 30 years or more may separate the eldest brother of a family from the youngest. Another factor is that the order of death of brothers has little to do with the order of their birth. As a result, the brother who has been around the longest is usually the one who gets the largest share. From Figure III.3 it can be seen that Indal inherited 17.88, while his brothers only received a little over five acres each. This was because he outlived his brothers by many years, was a prominent and respected elder in the village, and had the political clout to influence the distribution of land.

As the economic condition of this family has progressively deteriorated they have had to diversify their economic activities in order to survive. The forest has cushioned their fall and its existence has prevented the emergence in Bastar of the abject poverty to be found in the rural areas of North India. The collection of minor forest produce which can be sold at the weekly markets is an important source of income for many households. So too is daily labour from the Forest Department.
(and other government departments). There is a constant demand for labour for felling trees and general maintenance work on Reserved Forests. This work is usually done by young men who camp out on the work site for short periods of up to two weeks. Permanent migration to land surplus areas within Bastar has ceased to be an option for the people of Minipur, and it seems that permanent migration to the towns for work may be the next step.
The pattern of land inheritance among the rich immigrant landowning Brahman family of Latipur provides an interesting contrast to the Maraar family case of Minipur. This is shown in Figure III.4.

The first significant difference to be noted is that only three male descendants have been produced after four generations. Chandra only had one son, Lachmi, who in turn only had one son. These accidents of birth have therefore served to preserve...
the unity of the original landholding. Had Chandra produced twenty male descendants after three generations, as was the case in Minipur, then the wealth of this family would have been very different today.

The second significant difference is that many of the transfers shown here are legal fictions to dodge the land ceilings regulations. No one landholding here exceeds 30 acres as required by law. However, the actual size of the land worked by Krishna is 66.62 acres. This has all come from his father Lachmi who originally owned 73.33 acres. He sold 9.16 acres to newcomers to the village, gave 12.75 acres to his daughter’s husband, but accumulated an additional 15.20 acres by encroaching onto forest land, giving a net holding of 66.62 which Krishna now works. This is registered in three names to avoid the land ceiling: Lachmi 26.92 acres, Krishna 28.35 acres, and Shankar (who lives 300 kms away at Raipur) 11.35 acres.

The potential division of the 66.62 acres owned by Krishna is into three smaller holdings each of 22 acres for his three sons. However, it is unlikely that this potential division will actually take place. This is because his sons are being educated at University and have ambitions of non-farming careers. Here, then, is a third significant difference between immigrant
Brahman families of this type and local Bastar families of the Maraar type. Brahman families have a tradition of pursuing higher education, and this opens up many opportunities for the sons of farmers to pursue careers in business and the civil service. Bastar farming families have no such tradition. The school in Minipur has been open for only a decade and the few children who attend usually leave after a few years of schooling. Thus the option for the children of Minipur farmers to pursue lucrative non-farming occupations is almost non-existent.

It is interesting to note in passing that Lachmi of Latipur was a *malguljar* prior to 1947. North Bastar, unlike South Bastar, did not have the Zamindari System. The collection of revenue from the villages was in the hands of *malguljars* who were given a contract by the Raja of Bastar to collect the revenue from a number of villages on a commission basis. The office carried with it some power and prestige but given the abundance of land at that time the revenue was small and difficult to collect. Many farmers simply abandoned their land after harvest. In Latipur in 1921, for example, there were eight registered landowners of small holdings apart from Lachmi. By the time of the next settlement report in 1955–56 all of these land owners had abandoned their land. After 1947 the office of *malguljar* was replaced by that of *patel*. This office carries no power. Every village has a *patel* who is elected by the villagers. He simply collects the revenue from the village in exchange for a small fee from the government. Lachmi’s son Krishna is now the *patel* for Latipur village.

Land sales, as was noted in the discussion of the data in Tables III.6 and III.7, account for only a very small proportion of all land transacted: 1% (9.52 acres) in the case of Minipur in the period 1955–1981, and 11% (28 acres) in the case of Latipur. The market for land is therefore extremely sluggish. As the number of cases is small, it is useful to examine them all in order to understand the process by which the *supreme good* becomes a *commodity*.

**Case 1: Mr. S.R.Bihari of Minipur.** Mr. Bihari is the only outsider living in Minipur. His birth place was Bihar. Before he settled in Minipur, he worked in Bare Dongar as a salesman for a local liquor licence holder. When the liquor laws changed, and the production and distribution of local liquor
passed from the hands of the urban-based licensed monopoly holders to the village-based Tribals, he found himself flush with money but without a means of livelihood. Through the good grace of Indal Singh, the most influential elder in the Minipur, he was allowed to settle in the village and to buy land. Indal Singh sold him 1.72 acres of good rice land. This included a small plot (0.20 acres), on which he was able to set up house with the divorced daughter of a prominent villager of the Maraar caste. His wife became an outcaste as a result of this inter-caste marriage, but harmonious social relations are maintained with her ex-caste relations. He, too, is excluded from caste-based social activities such as marriages but he is fully integrated into the social life of the village in other respects. In addition to the land he acquired from Indal, he purchased 0.80 acres from a man of the Herdsman caste. His last purchase was 2 acres of rice land on 29 April 1981, which he bought for Rs 2300. He acquired this from a young boy from a neighbouring village, who inherited it upon his father’s death and who was forced to sell because he had neither the capital nor the experience to farm the land. All in all, then, he acquired 4.52 acres of rice land.

**Case 2: Mr. S.C.Gardener of Minipur.** S.C. is a member of the Gardener caste, and his family have been living in Minipur for over 40 years. When his grandfather Somaru first came to Minipur, he worked as a labourer for the joint family headed by Bisram. Bisram’s family were of the same caste but different patrilineage, and were one of the earliest, as well as one of the richest, families in the village. Somaru’s daughter (i.e. S.C.’s mother) was married into Bisram’s patrilineage and Somaru was lent 7 acres of Bisram’s land to work as his own. Over the years 5 acres of this gradually was returned to Bisram’s rapidly expanding patrilineage. The remaining two acres has been worked by S.C. for the past 20 years, and it was generally agreed that he had *de-facto* ownership of it. This was made *de jure* on 27 February 1983 when Bisram’s son, Naragu, formally sold him the plot for a consideration of Rs 2,000, a price which was considered to be below the real value of the land. S.C. had to pay R 100 bribe to the village land records keeper (*patwari*) to get the land registered in his name.

**Case 3: Two brothers of Minipur.** Suradu and Sadhu are brothers of the Gardener caste. Their father, Kawanchi, came to
Minipur to do *lamsena* for Bisram. This is a form of marriage-labour contract entered into by a prospective son-in-law with the prospective father-in-law when the former does not have the finance to pay for the wedding. After an agreed number of years of labour, the father-in-law conducts the wedding and pays all the expenses. In this case Bisram also lent Kawanchi some land to work (about 5 acres). Saradu and Sadhu have been working this land for over 20 years and it will be eventually be sold to them by Bisram’s son, Naragu, in whose name it is currently registered.

**Case 4: Mr G.Brahman of Kondagaon.** Mr. R.Brahman acquired 10.50 acres of forest land in Latipur from the government in the 1950s which he did not cultivate. In 1981 he sold it to Mr. G. Brahman for Rs 20,000. Mr. G.Brahman is a successful Gujarati merchant. His father originally came to Kondagaon in the 1940s and was one of the first to set up as a grain merchant. When he died, his wealth passed onto his two sons who set up separate businesses. G took over his father’s grain business, but subsequently gave this up and moved into glass bangle merchandising and farming. He first purchased good rice land at Masora (a few miles north of Kondagaon) and spent quite a considerable sum of money establishing an electric pump irrigation system. After three years’ operation he gave up rice growing—‘Too many headaches with labour’—and converted his farm into a cashew plantation. These were planted from seeds, and it will be five years until he gets any yield. However, once production starts he expects to gross Rs 4000 per acre from cashews compared to Rs 1000 from paddy.

The land at Latipur was purchased with the aim of establishing a cashew plantation. Partial clearing of the land has been carried out and seeds planted. In 1982 he was granted government permission to clear the big trees from his land. The land has been fenced. He employs a young caretaker to water the trees and to keep stray cattle out.

**Case 5: Mr. S.Punjabi of Kondagaon.** Mr. Punjabi purchased 12 acres from the grandson of the biggest landowner in Latipur. Mr. Punjabi is from one of Kondagaon’s most prosperous joint families. The family consists of seven brothers and they arrived in Kondagaon in 1951 as penniless refugees from the Punjab. They were assisted in the setting up of their business by a wealthy Punjabi Muslim who first arrived in Kondagaon...
in the 1930s. The seven brothers have developed an extensive grocery wholesaling and transport business. This purchase of land marks their first entry into agriculture and they have spent large amounts of money in clearing and levelling the land in preparation for grain cultivation. They have also spent Rs 20, 000 digging a well for irrigation purposes.

Discussion of the cases. Cases 4 and 5 are examples of the movement of merchant capital into agriculture. These cases are typical of the many other casual observations I made of merchants investing in land in Bastar. This movement of capital is the only source of capitalist development in agriculture. As capitalist farms they differ from smallholders in three important respects. Firstly, they are run using wage-labour rather than family labour. Secondly, large amounts of capital are invested in them to improve their productivity. Thirdly, the farm-holding consists of one large plot rather than a number of small scattered plots.

The ‘differentiation of the peasantry’ thesis, which holds that capitalist development comes about by internal developments within the peasantry as the rich get richer and the poor get poorer, does not apply to the Bastar case, where, as we have seen, most of the local farmers have become absolutely worse off through inheritance. In Bastar it has been developments external to the farming sector that have provided the impetus to capitalist development, namely the accumulation of capital by the merchants. Merchants are urban based, and prefer to buy in places like Latipur, which is close to a town and on a main road rather than at interior, difficult to get to places such as Minipur.

One of the greatest problems facing any would-be buyer is finding a seller. In smallholder villages such as Minipur, where the average landholding per household is only 3 acres, no one has any excess land to sell. To sell land usually means to become landless and, given this fact, the sluggishness of the land market becomes perfectly comprehensible. Unusable inherited land is the only potential source of supply in such villages as case 1 illustrates. S.R.Bihari was fortunate enough in being able to buy two acres from a young boy who inherited. It was only through the good grace of Indal Singh, who wanted to assist him, that he got a contiguous plot also of two acres. Cases 2 and 3 do not represent real land sales. The
cash transfer in these cases was a notional amount to formally acknowledge transfers effectively made years before. It is possible that more land will come onto the market in Minipur as the children of the present generation adjust themselves to the acute land shortage that they will face. If the experience elsewhere is any indication, those with uneconomic, small holdings will sell up and migrate. Consider Bailey’s (1957:48) report from neighbouring Orissa:

In Bisipara land came, and still comes, into the market because estates of less than a certain size cannot survive the normal contingencies of their owner’s lifetime... The most important single cause bringing estates down to this danger-level is the system of inheritance—partition of the estate between all sons at the death of the holder.

Bailey also notes that the ability of farmers to earn non-farm income prevents land from coming onto the market. This is true for Minipur too where economic diversification has intensified with the diminution of land holdings.

The land purchased by the merchants in cases 4 and 5 was, it should be noted, owned by immigrant Brahmans prior to the sale. The land was not, and never had been, owned by Bastar Tribals. The amount of land sold by Tribals to immigrant Hindus has been very small indeed. From 1966 to 1970 only 3,138 acres of the private property of Tribals in Bastar District has been legally sold to outsiders (Baijal & Deo, 1977:103).

Part of the reason for this is the legal restriction on the transfer of Tribal lands. Under Section 165(6) of the Madhya Pradesh Land Revenue Code of 1959, it is provided that

the right of a Bhumiswami belonging to a tribe, which has been declared to be an aboriginal tribal by the State Government... shall not be transferred to a person not belonging to such a tribe without the permission of a Revenue officer not below the rank of collector.

Legislation such as this cannot prevent illegal transfers of land from Tribals to non-Tribals. Such statistics are difficult to obtain. However, a recent survey of 41 villages in 6 tahsils suggests that 3.6% of Tribal holdings are illegally cultivated by
non-Tribals. It also showed that for Dantewara tahsil, the site of the Bailadila Iron Ore Project, the rate was 12% (Baijal & Deo, 1977:103). It seems that here, and in the Tribal areas of Andhra Pradesh studied by Fürer Haimendorf, there has been some ‘conquistador imperialism’, as immigrants have brutally and forcibly ejected locals from their lands. This has not happened in North Bastar as yet, however.

The usual reason given for the alienation of Tribal lands is not so much the illegal appropriations of conquistador imperialists, but the alleged innocence of the Tribals in the face of dishonest and scheming merchants who get Tribals into their debt and force them to sell. This argument has been criticised by Bailey on the basis of a study of a village subject to much more exposure to outside commercial influences than those in Bastar. The village he studied was completely owned by the original inhabitants in 1885, but by 1953 they owned 28% of the land. He showed that land does not come onto the market for these reasons. The merchant’s ‘character and his chicanery are an aggravating and marginal factor in a process which has a more fundamental prime cause...the system of inheritance’ (1957:48).

The merits of Bailey’s particular argument aside, the search for a single causal theory of the processes by which a good such as land becomes a commodity is a forlorn one. Farm households are creative political units that are always developing new ways to cope with the dilemmas of daily life. True, an increasing population on a given area of land does create problems but the behaviour of households is not governed by rules of inheritance, or any rules for that matter. This is because land, as we shall see in subsequent chapters, is never the only source of income for a village household wherever it may be. As a good, the supreme value of land lies in the prestige and sense of belonging it gives to its guardians and, as the evidence above shows, this makes them very reluctant to sell. Land tenure is first and foremost a political relation and it is important to remember, as Simeran Gell reminds us in her discussion of Bastar village politics, that in making political alliances householders ‘exploit the multi-strandedness and historicity of their relations with others’ (Gell, 1992:87).
LAND AS A VILLAGE COMMUNITY GOOD

Farm households in Bastar and elsewhere are invariably part of a wider village community and the general question arises as to the relationship between household guardianship of goods and village guardianship. This issue has been hotly debated in those parts of the world where household proprietorship of land parcels, combined with high rates of population growth, are to be found. In India it begins with Maine and Baden-Powell towards the end of last century and has been continued in the twentieth century by Wiser and Dumont among others. In Indonesia Geertz’s (1963) notion of ‘shared poverty’ has provoked an enormous literature and the debate continues to this day (Schrauwers, 1995). The value question lies at the heart of this debate. The concern is not so much a householder’s valuation of a parcel of arable land as the community’s valuation of the whole of arable land in relation to common rights to meadows, forest, water, and the like. The village community is the guardian of this good which raises the factual question of the role it actually does play and the normative question of the role it should play.

Lewinski’s theory gets to the heart of the matter. ‘The formation of the village community,’ he argues (1913:33), ‘is due to the same element as caused the origin of private property—a growth of population.’ ‘The function of the community,’ he continues, ‘is to prevent destruction and to equalize the land. The preventive policy applies exclusively to the non-appropriated lands, because only with regard to them is it necessary. When a man owns his own land, his personal interest is usually a sufficient guarantee against his destroying it.’ The equalisation strategy applies to arable land and Lewinski surveys the attempts of village communities in nineteenth century Russia to do this, noting that the more labour a proprietor has expended on the soil, the more they cling to it, and the more strongly they protest against any intervention of the community.

This neglected study of Lewinski’s identifies the fundamental contradiction at the heart of the politics of the village community and suggests why the preventive strategy is more likely to succeed than the equalisation strategy. The data presented in this chapter provides no support for the existence
of any equalisation strategy with respect to arable land in Bastar. However, the village community in Bastar does have a preventive strategy.

This is brought out clearly by Simeran Gell in her defence of the village as a unit of study in Bastar. The village,’ she notes (1992:67–68),

is the corporate political group...and the village is administered by its council (bhumkal) whose decisions are binding on all. Every village is also a religious congregation with its own specific responsibilities in the cult of the gods, including the so called ‘clan’ gods who are never worshipped by congregations exclusively drawn from one particular clan. The relationship of people to the soil...is heavily emphasized in the religious system of the Muria and indeed is the basis of the moral bond between people and divinities: it is because the village congregations share ‘substance’ in that they all draw sustenance from the village earth that they are obliged to contribute to the ritual tributes paid to the gods by the village collectively. The village in practice is not a simple whole, and the unity of the village is often obscured by the competition and rivalry between families within it.

This rivalry takes the form of jealousy of the relative economic wealth of some families and is the cause of sorcery attacks. Her analysis suggests, pace Alfred Gell, that envy and jealousy are behind the collectivist consumption ethos of the Muria, and that this is the reason the rich are obliged to consume as if they were poor.

With respect to land alienation, she draws an important distinction between a householders’ legal right to alienate land and their obligations as members of a moral community. ‘It is unthinkable,’ she notes (1992: 76), ‘that any person would risk his standing in the village by using his legal ownership to dispose of land at will.’ Immigrants, for their part, are not members of the moral community until they are able to buy land which gives them the right to participate in rituals on the same basis as the rest of the villagers. To get the right to buy immigrants must go through a transition stage of getting
affiliated with a local family. When land does come up for sale, and this has only happened when emigrants have sold up, they have to compete with other prospective buyers from within the village. More often than not the people buying the land regard it as a political venture rather than an economic investment. The person who is accepted as a buyer scores a victory over his rivals, fortifies his position in the village, and acquires land that he is often unable to farm because of the shortage of labour.

The most valuable land in the village studied by Simeran Gell are *vedang*, levelled rice fields with a water-retaining bank. Other categories include *kotum, dipa*, and *bhat*. *Kotum* is government-controlled forest areas within the village boundaries which the government exploits for commercial purposes but which the villagers see as belonging to them. *Dipa*, swidden fields, are the former forest areas located between the present forest and the rice fields whose expansion the government controls very tightly. *Bhat* are the infertile former swidden fields now useful only for grazing cattle.

This typology reflects the particular ecological conditions of the village Gell studied but the general point the case illustrates is the intrusive role of the state in the control over village common forest lands. This is the basis of much conflict between villagers and the state in Bastar. This conflict has a long history and has assumed the form of outright rebellion led by so-called Naxalites. It is impossible for an anthropologist to research this topic in Bastar today because the Government will not issue research permits to foreigners. All one can do is report gossip one hears. Gossip is important not because it necessarily reflects the truth of the situation but because it reflects what some people believe to be the truth and beliefs, as we know, have a force all of their own.

When I first went to Bastar in 1982 I was told of Naxalite activity in South Bastar on the border on Andhra Pradesh some hundreds of kilometres away. However, when I returned in 1989–90 the activity had spread to the Kondagaon area. An acquaintance in the Forest Department warned me not to go to Minipur because the Naxalites had recently beaten up a forest guard and relieved him of Rs 11,000. This had the desired effect of spreading fear throughout the ranks of the forest guards many of whom refused to perform duties in the interior
regions for fear of their lives. The villagers I spoke to, on the other hand, said that I was in no danger. They welcome the Naxalite activity because, from their perspective, the forest guards are corrupt officials who plunder, rather than protect, the forest by selling trees to illegal timber merchants. They are reminded of the forest guard’s corruption on a daily basis because they know that the cost of the petrol for the motor bikes the guards ride around on exceeds the income they get from the Forest Department. The Naxalites identify themselves with a *lal salaam* (red greeting) or a *johar dada* (hello brother) and give out medicine. In return they are given food and informed about the behaviour of the forest guards. The villagers also told me about two Naxalites who were killed in 1989. The government buried them at Keshkal ghat, a highly symbolic political act because, as explained in the previous chapter, this is the location of the God Bhangaram, the recipient of the evil exorcised from villages in an annual purification ritual. In an equally symbolic counter act, sympathisers dug up the bodies and cremated them in a ceremony of their own.

**LAND AS A NATIONAL AND GLOBAL GOOD**

Just as the household is part of a village community, the village community is part of a state, and the state is part of the international community. At each level of this institutional hierarchy the notion of guardian acquires a meaning that encompasses the previous one. Ultimately land is the supreme good of humanity at large. The self-evident logic of this judgement is contained in the Statement of Hopi Religious Leaders quoted at the beginning of this chapter: The land is sacred and if the land is abused, the sacredness of Hopi life will disappear and other forms of life as well’.

The supremacy of land as a good presupposes that its human guardians can protect it from human abuse and human degradation. This is precisely what people everywhere have been unable to achieve with the result that, globally speaking, land degradation is a serious and growing concern. The value question is at the heart of this debate because it revolves around the question of what *is* happening and what *ought* to
be done. There are no simple answers to these questions; indeed simple answers are part of the problem not the solution.

One simple answer finds the problem in ‘Western civilisation’ where land is said to be a profane commodity and the solution in the beliefs of Aboriginal people for whom land is sacred. The implication of this position is that Westerners must rehabilitate mother earth as the supreme goddess. The proponents of this position range from New Age romantics at one extreme to hard-headed scientists like Loveluck and Suzuki at the other. The normative part of this theory of value — that land must be protected—is beyond question but not so the strategies for protection and the explanatory adequacy of the theories that inform these strategies. The problem with many of these theories is not so much their misunderstanding of Aboriginal societies but their misunderstandings of land tenure in ‘Western’ society. Consider Knudston and Suzuki for example:

In the spiritually detached Western view of nature, land is lifeless. It is inert, a two-dimensional physical surface (if we exclude a third dimension, which grants rights of access to urban high-rises above or to mineral or water rights below)—to be surveyed, subdivided, and zoned. It is a commodity—valuable but no more ‘sacred’ than a stake of cedar logs, a heap of coal, or any other economic resource. It is a financial investment—to be bought, ‘developed’, and resold (hopefully at a handsome profit) by shuffling official titles and deeds (1992:121, emphasis added.)

While no one would deny that land is often transacted as a commodity, the paradox remains, as demonstrated above, that capitalist agriculture developed first in a country where land was a good, an inalienable keepsake of elite families who kept their land off the market in the name of God, King, and Country. The fundamental issue is not one of profanity versus sacredness, but of the politics of affirmation and denial within a belief system that values land. The landed affirm their rights to guardianship of a given territory by denying others the right of occupation. The fact that this affirmation is done in the name of some superhuman being does not obviate the political
character of the implied denial. This is not to say that beliefs about divinely appointed guardians are necessarily insincere but it does highlight the fact that competing beliefs, however sincere, always have a political manifestation. In Bastar, for example, the upward looking political theology of the divine king contradicts the downward looking political theology of the Aborigines. Like royal families everywhere, the Bastar kings claim descent from a transcendental god and justify their claims to guardianship of a given territory by means of mythological charters. Bastar’s kings were ‘little kings’ who emulated the ‘big kings’ in Delhi in their quest for prestige; by analogy, households in Bastar, such as Mr. Mali’s whose family goods were described at the beginning of this chapter, emulated the royal household in their quest for prestige. But emulation, unquestioning agreement, is defined by its opposite, questioning disagreement, and the grounds for subalternate political theologies become defined. Aboriginal households find their deities in the ground that they plough and in the flora and fauna of the countryside they inhabit. Thus a Mr. Baghel (literally ‘Tigerman’) claims his descent from, and worships, the tiger that used to roam in the jungles of Bastar; the lion (Singh) that the king’s deity rides is unmeaning for him because, among other things, this is an animal whose natural habitat was the open plains of north India and Africa. The replacement of a divine kingdom by a secular state—a bloody affair in Bastar that resulted in the death of the king under a hail of police bullets in 1966—has not altered Aboriginal political theology. It has merely given it a new political antithesis, but one that now has a more global orientation. The political theologies of the Bastar Tribals, the Hopi Indians and the Australian Aborigines differ greatly but they also have a new found unity today as multinational corporations, in cohort with many a secular nation state, seek to transform their land first into a commodity with a limited life span.

Pseudo geographical categories such as ‘the profane West’ versus ‘the sacred Other’ obscure rather than clarify the commonplace contradictions which lie at the core of the notion of land as a good. The fundamental political issue is a struggle for prestige. Land degradation, as Blaike and Brookfield (1978) have correctly identified, is a human
problem. The fact that this problem is often expressed in the language of god, as in the Hopi Statement, should not blind us to the truism of humanist thought that informs it: if land is abused Hopi life will disappear and all other life as well. From a humanist standpoint the Great Spirit, Massau’u, is not some abstract transcendental being but, rather, a concrete political manifestation of the relations of human reproduction. In earthly terms humanity is still only very young—a mere 100,000 years or so according to the archaeologists—and its greatest hope for survival is the capacity of its living members to question the values of the elite.

NOTE

1 The names of villagers and people in this section have been changed to protect the identity of my informants.
CHAPTER IV
Production of Commodities by Means of Goods

THE AGRARIAN QUESTION AND THE PROBLEM OF VALUE

The agrarian question is as old as capitalism itself. The general issues François Quesnay (Groenewegen, 1983) raised in 1757 concerning agrarian relations in the France of his time are still hotly debated today but the locus of the debate has moved to Asia, South America and Africa. Two fundamental questions are at stake: What is happening to agrarian relations as the market expands? What should happen? These questions are usually posed in terms of a distinction between peasant farming and capitalist farming: Is capitalist farming replacing peasant farming? Should it be? A theory of value is needed to answer these questions and, not surprisingly, there are as many answers as there are theories of value. Furthermore, the theory of value chosen determines the language used to pose the question. In the post-Marxist world of today the language used is that of smallholders, largeholders, adaptation, and culture.

For the classical Marxist the issue is one of class exploitation. Peasant proprietors are conceived of as capitalists who are also workers. The contradiction, which intensifies as the market grows, leads to differentiation: rich peasants get richer and become capitalists, the poor peasants get poorer and become proletarians. This theory has its origins in Marx’s discussion of ‘Metayage and Peasant Proprietorship of Land Parcels’ (1894:802–814). Lenin (1899) developed the idea in his influential theory of ‘The Differentiation of the Peasantry’. For Lenin peasant farming was an inefficient pre-capitalist
form that was destined to disappear in the competitive struggle with capitalist farmers in the same way that the large mechanised factory replaced the small artisan. In other words, capitalism would conquer the farmer's field in the same way that it conquered the factory floor.

For marginal utility theorists such as Chayanov (1966) the issue is one of self-exploitation. He questioned the alleged superiority of large scale farmers and argued that differentiation was not taking place. He laid stress on the cyclical mobility of the household as it moved through the various stages of its demographic structure and noted that the consumer/worker ratio varied according to the life-cycle of a family. Thus a newly wed couple with young children have a higher consumer/worker ratio than a family with adult children and have to work harder to balance the household budget. Chayanov also argued that smallholders are sometimes more efficient. The Organisation and Production School to which he belonged believed that agrarian transition to capitalism was neither inevitable nor desirable. This position placed him at odds with the Marxists and, when Stalin came to power, he paid for it with his life.

This debate has set the parameters for most twentieth century discussions of the agrarian question, a debate that included contributions from economists, historians, sociologists, geographers and anthropologists. The anthropological contribution to the debate has focussed on the relations of reproduction of 'peasant' households and, in particular, the role of culture and kinship. Geertz's (1963) theory of 'shared poverty', developed to explain the history of agrarian relations in Indonesia, is perhaps the best known. This work was in the tradition of the American school of 'cultural ecology'. 'Adaptation' is the central analytical concept of this school of thought and Netting (1993) its leading exponent. His recent book, an ambitious survey of the agrarian question today that is informed by his own intensive fieldwork in Africa and Europe, is the latest defence of the 'smallholder'. The merits of this particular theory aside, the general consensus among anthropologists seems to be that the smallholders are here to stay and the 'persistence' of this particular form of farming is what needs to be explained. Even neomarxists recognise this much. Harriss (1982), for example,
poses this question in his *Capitalism and Peasant Farming* where he argues that the process of differentiation of the peasantry is ‘blocked’ both because of the ‘intermediate’ capitalist character of the economy and because of ‘the ideological structures of caste and kinship which reinforce existing relations of production and the power structure’ (1992: 9). Taussig’s (1978:66) revisionist thesis abandons the evolutionary biases of classical Marxism completely and stresses the fact that quantitative comparisons must be made where the two types of farming ‘coexist in one and the same area and ecozone’ (emphasis added). Taussig, too, finds that smallholders are more efficient. He argues, on the basis of his study of the green revolution in the Cauca Valley of Columbia, that capitalist development ‘does not so much displace peasant and other forms of non-capitalist production, but rather incorporates their very real economic efficiencies so as to balance the costs of capital investment which are otherwise largely supplied by international financing’ (1978:87–88).

Taussig’s paper gets to the theoretical heart of one aspect of the debate: the *quantitative* value problem posed by the co-existence of two types of farming practices. There is no general solution to this problem and this can be seen by examining the nature of the value question involved.

From a scientific point of view farming is a process of transforming seed into crops by means of land, labour and other means of production such as tools, machines, fertilisers and the like. The key inputs, then, are land, labour and capital (seed, tools, cattle) all of which can be quantified in terms of some standard weight or measure such as area, time, or volume. If these inputs are considered in relation to a given level of output and in relation to each other six primary ratios can be defined: labour/land, capital/land, output/land, capital/labour, output/labour, output/capital. Other ratios can be defined by inverting these ratios or by forming secondary composite ratios of various kinds such as surplus/output where surplus is defined in some way or other (eg. grain output minus seed input). The complications are endless but whatever ratio is defined one fundamental problem underlies them all, the value question of how to reduce heterogenous quantities to a common measure. This presupposes a standard of value such as money prices, labour-time, or energy flow.
The use of these standards poses difficult theoretical and practical problems. For example, if money prices are chosen then which prices? Current replacement prices? Historical cost prices? If historical cost prices are used then this merely substitutes one value problem with another if the things in question were purchased at different times. If current prices are used then how does one value old equipment? Replacement cost or current disposable values? Then there is the problem of valuing unpaid family labour. Having resolved these accounting problems, one is then faced with the question of the interpretation of the results because the use of different standards will tell different stories.

Taussig, who is acutely aware of these problems, found that, at 1971 prices, capitalist farmers had higher ratios for capital/land, output/land, capital/labour, and output/labour but that peasant farmers had higher labour/land and output/capital ratios. The higher labour/land ratio, he argues, reflects the greater labour intensity of peasant farming and the higher output/capital ratio its greater 'capital efficiency'. He also calculated energy expenditures and found, pace Lenin, wage-labour on plantations to be an enormous drain on energy compared to peasant farming and that were it not for their 'non-capitalist modes of sustenance wage labourers and their families would be literally burnt out—consumed by the fire of their own labour' (1978:86). Thus the labour efficiency of capitalist farming as measured by 1971 prices turns out to be highly 'inefficient' for the worker using a kilocalorie standard. Taussig's analysis, then, raises the question of efficiency for whom. Where power relations are involved there will always be at least two answers to this question.

It is not my intention to carry out yet another quantitative value analysis here. Rather, I seek to advance Taussig's revisionist approach to the theory of value by affirming the coexistence of different value forms. My concern is to investigate the commonplace contradictions that arise from the coexistence of goods and commodities.

The limitations of Marx's approach is that he sees everything from the perspective of the worker on the factory floor. This is the perspective of someone whose labour-power is a commodity that is used to produce other commodities. Sraffa's (1960) Production of Commodities by Means of Commodities...
captures the essence of this theoretical perspective. The problem with this approach is not so much that it is wrong but that it abstracts from household economy and is unable to handle the problem posed by the existence of goods, those inalienable keepsakes under the guardianship of the family. Thus Sraffa has a theory of the rent of land but no theory of the price of land. His theory of rent implicitly assumes that land is a non-commodity. Given that the theory of rent he develops has its origins in the particular conditions of English agriculture, this is a perfectly reasonable assumption. The elite landed families of England, as we saw in the last chapter, kept land off the market by maintaining it as a good, as an inalienable keepsake that brought them not only power and prestige but also rent. English agrarian capitalism, then, was a system of the production of commodities by means of goods. But while classical political economy has a highly developed labour theory of commodities, it has no theory of goods as evidenced by the fact that the word itself is rarely, if ever, used. Neoclassical economics, by way of contrast, has a utility theory of goods but no theory of the commodity. What is required is not a synthesis of these two theories of value, but a new theory that gives the words goods and commodities new meaning by locating them in the concrete agrarian relations of consanguinity, affinity and contiguity created by reciprocal recognition. This is not to deny the importance of an analysis tied to the factory floor and nor does it argue that one should tie one’s theory to the hearth and home. My simple point is that when it comes to the analysis of agrarian relations the factory floor is not the best vantage point.

Much of what is called ‘peasant’ farming falls under the generic label of the production of commodities by means of goods. When the agrarian question is framed in these terms the nature of the question changes completely because the grand opposition between capitalists and peasants is dissolved. The issue now becomes one of understanding the commonplace contradiction posed by the ‘goodness’ of commodities and the ‘commodityness’ of goods. To put it another way, how do reciprocally recognised relations of consanguinity, affinity, and contiguity influence the principles governing the production, consumption, distribution and exchange of commodities? Conversely, how do inalienable keepsakes
acquire market values? These questions shift the focus from an analysis of quantitative values to qualitative relations between valuers, from land, capital and labour to guardians, owners and producers.

The guardian of land, the owner of the means of production and the producer may be the same person or three different people. In Minipur village, Bastar, where household proprietorship of land parcels is the norm, the valuers are, in most cases, the same person. A similar situation holds in the Murrumbidgee Irrigation Area of Australia where one family typically possesses a large consolidated plot of 500 acres, has purchased all the machinery used to work the land, and does almost all the annual labour themselves. In Latipur village, Bastar, the guardian of land parcels and the owner of the means of production are the same but the producers are different. Formerly they were bonded labourers, today they are day labourers. In nineteenth century England the three valuers assumed the classic form of the landlord, the capitalist and the farm worker. Today, with increasing mechanisation, the number of farm workers has dropped dramatically in England and many capitalist tenants do their own labouring or some of it anyway. The following matrix summarises the logical possibilities.

<table>
<thead>
<tr>
<th>Guardians of land</th>
<th>Owners of means of production</th>
<th>Producers of commodities</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>same</td>
<td>same</td>
<td>same</td>
<td>India, Australia</td>
</tr>
<tr>
<td>same</td>
<td>same</td>
<td>different</td>
<td>India</td>
</tr>
<tr>
<td>different</td>
<td>different</td>
<td>different</td>
<td>England</td>
</tr>
<tr>
<td>different</td>
<td>same</td>
<td>same</td>
<td>England</td>
</tr>
</tbody>
</table>

This perspective enables different questions to be posed. For example, what values influence the household politics of the family that is guardian, owner and producer? What values are dominant? The prestige that comes from land ownership or the profits? Are households prepared to alienate the land and if so at what price? Conversely, if the inalienability of land is highly
valued, what implication does this have for the valuation of the products of the land? Are they rendered inalienable too?

The technological aspect of the distinction between peasants and capitalists does not get lost in this perspective but it is deemphasised. A distinction can be made between householders who farm land parcels using wooden ploughs and those who farm large consolidated plots of land using machines and questions posed concerning the economics of technology. However, my focus is on politics of prestige and on the process by which households use the values of land guardianship, capital ownership and household labour to create a distinction between households based on goodness. Household polities create their own conceptions of territoriality and temporality that bear little relation to the positivist conceptions of land and time employed by the theorists of farm household economy. Elite mercantile households in India, for example, have a conception of territory that is centred on the land parcels in their Rajasthani homeland but covers the whole of India because of the links created by ‘inalienable’ migrants. The migrant families, in turn, have created localised mercantile territories that they protect and nurture for the benefit of their family members. As a prelude to reporting my fieldwork in Bastar, it is necessary to define the specificity of commodity marketing in Bastar and to show how, in general terms, the role of goods fits into a system such a this.

COMMODITIES AND GOODS IN BASTAR

Selling in order to buy

The marketing of farm produce in Bastar is done at periodic rural markets by those who are obliged to sell in order to buy. As such, it is a classic example of the C-M-C type of exchange distinguished by Marx where a commodity (C) is sold for money (M) in order to buy another commodity (C). Or, to put it another way, a farmer sells (C-M) in order to buy (M-C). In Bastar a member of a farm household—usually a woman—will carry a few kilos of grain to the market in a basket, sell it to the grain dealer who waits outside the market, and then proceed to
buy the manufactured commodities the household needs, such as clothing, kerosene, oil, matches, and so on. This happens throughout the year on an almost daily basis in some cases. Of course, the grain sales tend to be highest after the harvest when the bigger purchases are made (pots, clothing, jewellery) and accumulated debts have to be paid off. While C-M-C marketing is of a recognisable generic type, it is by no means general throughout India. A brief comparative study of the market system in Saharanpur District north of Delhi brought this home to me. Here most farm householders come to the periodic markets with money to buy commodities having sold their farm produce at other more specialised markets. In other words, in North India selling (C–M) is done at one market, buying (M–C) at another.

From the perspective of merchants (some of whom may also be farmers) periodic marketing is a matter of buying cheap here (M–C) and selling dear there (C–M'), which describes the circuit of mercantile capital M–C–M' also formulated by Marx. Marx saw C–M–C type marketing as one step up in the evolutionary scale from barter (C–C) and one below buying/selling (M–C–M'). This evolutionary argument is contradicted by the fact that all three forms coexist in the rural markets of Bastar. Barter, it is true, only accounts for a very small percentage of the trade but it coexists nevertheless. The question is why C–M–C predominates in Bastar and M-C-M' in rural areas in the Delhi region. The answer is embedded in the question and it has to do with the multitude of ecological, sociological and historical factors that make the intensity of commercial activity higher in one area than another. This difference in intensity is one of quantity and not quality. In other words, the difference is to be measured by the distance from cities, the density of population, the methods of production, and so on and not in so-called ‘cultural’ factors such as the notion of a ‘backward tribal area’.

But where do goods fit into this scheme? C–M–C is an exchange circuit and if production (P) is included the circuit becomes

\[ C \rightarrow M \rightarrow C \ldots P \ldots C \rightarrow M \rightarrow C \]

which is a market—production—re-market circuit. This circuit raises the question of the ancient distinction between use-
value and exchange-value. Rice, for example, has a number of use-values be it food for a consumer or seed for a producer; its exchange-value, by contrast, is the price it fetches on the market. This distinction has been used to differentiate between those households who consume their own produce and those who sell it on the market. ‘Peasant’ households, some say, typically produce for use whilst capitalists produce for exchange.

I question this distinction on both theoretical and empirical grounds. As we shall see, in Bastar it is the poor farmers who are obliged to sell in order to buy whilst the rich are able to withhold produce from the market. Furthermore, it is not surpluses the poor farmers are obliged to sell but deficits. Household proprietorship of land parcels, I assert, has always and everywhere been associated with the production of exchange-values. It is the valuation of things as goods that keeps them off the market, be these things land or the products of land. Furthermore, it is the richer, high prestige, politically powerful families that are able to assert this value and to thereby make themselves good.

The role of goods in the commodity circuit C–M–C can be formalised by substituting goods (G) for production (P) into the formula to give

\[ C\cdots M\cdots C \rightarrow G \rightarrow C\cdots M\cdots C \]

It is not only farm households that value things as goods; merchant households too value things in this way. The values of the household intervene in the spatial gap between the commodities that are purchased cheap here (M–C) and the commodities that are sold dear there (C–M′) to give

\[ M\cdots C \rightarrow G \rightarrow C\cdots M′ \]

This formula is encompassed by the previous one. This is fitting because no clear distinction can be made between farming and merchant households in Bastar when the perspective of the household polity is taken. Some Bastar farm households are small merchants who buy in one market (or village) and sell in another; some big Marwari merchant families have farms in Rajasthan that members operate. The analytical task, then, is not to begin with an abstract definition of a household but to end with an understanding of how the politics of goodness defines it concretely in a world where
money, power, and prestige are part of a complex ever-changing totality.

Grain production and the obligation to sell

Paddy is the most important crop grown in Kondagaon Tahsil. It is grown in bunded level fields with rainfed irrigation. Other products grown include cereals such as kosra (Panicum milliaceam) and mandia (Elusion coracane) and maize. Kosra is ideally suited for hill areas and is widely grown in the neighbouring Narainpur Tahsil where shifting agriculture is practised. Next to cereals, come pulses as the most important foodcrop in Bastar. These include kulthi (horse gram), urd (black gram) and mung (green gram). Cash crops are also grown and the most important of these are oil seeds like sarson (mustard), ramtilli (nigerseed) and tilli (linseed).

Paddy accounts for 69% of all marketed produce in Kondagaon with sarson, the oil seed cash crop, next in importance at 11%. In Narainpur Tahsil, by way of contrast, cash crops (sarson, ramtilli, and tilli) account for 60% of all marketed produce and paddy, the foodcrop, for only 31%. Given that Narainpur has been described by one prominent anthropologist as an ‘unblemished tribal haven’, can these facts be explained with reference to Narainpur’s location on the so-called tribe-caste continuum? The evidence suggests not. Consider Table IV.1.

Population density in Kondagaon is one and a half times that of Narainpur but the ratio of marketed produce per acre is almost twelve to one in favour of Kondagaon. The minor differences in the percentages of people classified as Tribal in the two areas cannot account for this difference. Narainpur Tahsil includes the Abujhmar hills where shifting cultivation predominates and millet is the main crop. But in the foothills of this region paddy is the main crop and it is grown on arable land that is relatively abundant; the major problem facing most households in this region is a labour shortage. In Kondagaon Tahsil, by way of contrast, arable land is scarce in the sense that encroachment onto forest land is no longer an option for a land poor family; here a shortage of land is the main problem facing households. In the land-rich, labour-poor Narainpur Tahsil, then, the general level of household wealth is higher.
than the land-poor, labour-rich Kondagaon district. This suggests that, at this macro level of analysis, the richer families in Narainpur market cash crops and withhold foodcrops for their own consumption, whilst the poorer families of Kondagaon Tahsil are obliged to market foodcrops. In other words, relative poverty is at the basis of the intensification of marketing activity in Kondagaon Tahsil.

Another significant factor here is the relative prices of the principal food and cash crops. In 1982 monthly prices for oil seed fluctuated around Rs 400 per quintal while that for paddy was in the region of Rs 125 per quintal. In a market economy where farm households sell in order to buy (C–M–C), this means that a householder selling paddy has to carry four times the weight of a seller of oilseed to receive the same income. This fact is significant because women, who do most of the marketing, carry their produce to market on their head on journeys that can take up to four hours one way.

The annual cycle

The annual cycle of household activity in Bastar has three clearly defined phases of roughly four months each. First comes that of production when householders are busy in their fields planting and tending the growth of rice. This lasts from July to October. Then comes the phase of marketing during which time the annual fairs are held. This is also a time of great religious activity for the annual fairs are not only times when new households acquire their durable means of consumption (eg. brassware) and old households renew worn out means of

### TABLE IV.1 BASTAR DISTRICT: TWO SUBDISTRICTS (TAHSILS) COMPARED

<table>
<thead>
<tr>
<th></th>
<th>Kondagaon Tahsil</th>
<th>Narainpur Tahsil</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total cropped area (acres)</td>
<td>260,398</td>
<td>149,136</td>
</tr>
<tr>
<td>Marketed produce (Rs)</td>
<td>10,013,000</td>
<td>493,000</td>
</tr>
<tr>
<td>Marketed produce (Rs/acres)</td>
<td>38</td>
<td>3</td>
</tr>
<tr>
<td>Population density</td>
<td>1.05</td>
<td>0.64</td>
</tr>
<tr>
<td>Tribal population (%)</td>
<td>74</td>
<td>64</td>
</tr>
</tbody>
</table>

Source: Government Offices, Kondagaon

TABLE IV.1 BASTAR DISTRICT: TWO SUBDISTRICTS (TAHSILS) COMPARED

PRODUCTION OF COMMODITIES 133
production (eg. cattle) but also times when the deities of the clan and the village meet to play and to test the faith of their followers who engage in public acts of self-flagelllation. This phase last from November to March with most of the annual fairs being held in the latter months. The third phase, the summer months from March to June, is the marriage season. During this phase the brassware purchased by parents and relatives at the annual fairs is given to newly weds to enable them to set up house. At these rituals, which can last for days, consanguines and affines, whose definition defies precise distinction because of a history of cross-cousin marriage, gather to eat, drink and be merry at the expense of the bride’s parents.

This cycle is underwritten by the pattern of rainfall as the following chart shows.

From the perspective of the household, the phases of production, marketing/ritual, and marriage become ones of indebtedness, income, and expenditure respectively. If the economy was in a self-replacing state the debt would be cancelled and renewed each year; but the vagaries of rainfall consign the concept of the self-replacing state to the realms of theoretical fantasy. Indebtedness, then, is the norm but nature is not the only cause because cultural factors, such as marriage expenses, are also important. On the other hand, householders have access to many non-farm sources of income to balance their budgets.
FARMERS AND THE HOUSEHOLD POLITICS OF SELLING

Classifying households

The regional level finding about the obligation of the relatively poor to sell paddy is reproduced at the household level where we find that it is the rice-deficit households, rather than the rice-super surplus producing households, who are obliged to market their produce. However, before the reasons for this are investigated, it is necessary to define what is meant by a ‘rice-surplus’ and a ‘rice-deficit’ household.

Many highly-sophisticated techniques have been developed for measuring surplus and deficit households (Harriss, 1982: App. I). However, these techniques have the danger of giving spurious accuracy to the measurement of a phenomenon that can never be precisely quantified. Household production falls within a range that depends, among other things, upon annual rainfall. An average figure for production over a number of years is therefore needed. However, once time is introduced into the measurement of production, other problems arise. For example, the demographic structure of a household can change quite dramatically in the space of a few years through birth, marriage and death. Any quantitative measure of ‘surplus’ or ‘deficit’, then, necessarily involves a great deal of approximation. A simple rule-of-thumb measure considered in the light of indigenous conceptions of the relative wealth of a household is, therefore, just as good, if not better than, a highly complex statistical measure.

The simple rule-of-thumb measure I have adopted is the ratio of rice land to household size (hereafter, the ‘surplus’ ratio). Households with a surplus ratio above 1.00 are classified as rice-surplus households, those with a ratio below 0.60 as rice-deficit households, and those with a surplus ratio between 0.60 and 1.00 as intermediate households. A surplus ratio of 0.80 is the break-even ratio, and the assumptions behind this figure are as follows. It is assumed that each acre of rice land produces 15 $khundi$ (450 kg) of paddy per year and that one person consumes 12 $khundi$ (360 kg) per year. It follows from this that one person needs $12/15 = 0.80$ acres of rice land to balance production and consumption. The surplus
ratio, on the basis of these assumptions is therefore a ratio of rice production to rice consumption. It follows that households with a surplus ratio of between 0.40 and 0.80 are without rice for up to six months per year, those with a ratio between 0.00 and 0.40 are without rice for between six and twelve months, while those with a ratio in excess of 1.60 have more than double their requirements. This ratio measures the degree to which a village dweller is a rice farmer. It says nothing about the balance of income and expenditure of a household but enables the question of ‘How do rice-deficit households survive?’ to be posed. It is, therefore, a way of tackling the question of economic diversification.

Table IV.2 classifies the 55 households of Minipur village. More than half of the households are persistent rice-deficit households, slightly less then one third (31%) are sometimes in deficit, and only 13% of households are persistent rice-surplus producers. These statistics are consistent with the findings of researchers from many different parts of the world (Malinowski & de la Fuente, 1957:202; McFarlane, 1976:315; Beals, 1975:57; Hill, 1982:142–43; Taussig 1978:75).

As might be expected, this classification of households is consistent with a number of other indices of wealth. For example, surplus householder own 16 head of cattle on average compared to 4 for intermediate households and 2 for deficit households. This suggests that richer farmers convert their surplus product into capital in the form of cattle. They are unable to invest their surplus in more land because almost no land comes onto the market. Surplus farmers have more land per head than other poorer farmers but this is largely an accident of birth. Gold and silver is another way of investing surplus. I was unable to collect data on this, but I did observe that the male household heads of the surplus families were the only ones who wore gold earrings and necklaces. Apart from cattle and gold there is little else a rice-surplus producing farmer can invest in. Given the existing socio-economic structure of production, it is difficult to see how their surplus could be used to intensify production. There is little scope for improving the instruments of production. For example, ploughs are made by the farmers themselves and cost virtually nothing, save for the farmer’s labour, time and the small payment to the blacksmith for fitting the metal tip. Investment
in a superior-quality plough would be a waste of money because it would not affect yields. Mechanisation in the form of tractors is simply out of the question. That would require an outlay that would be equivalent to more than ten lifetime’s earnings of the richest farmers in Minipur. In any case, a tractor would be useless under the present scattered plot system of land tenure. There is no scope for intensifying grain production either. For example, double cropping could be introduced and more rice planted using the transplanting method. Intensification of production along these lines has little to do with availability of an investable surplus, however. Double cropping means working through the traditional festive season when important religious events are held and marriages take place. Villagers have many family and social obligations to discharge during this period, and a conflict of values—household reproduction versus profit making—would arise if this strategy were followed. Investment in irrigation pumps and/or fertilisers is a real option available to surplus farmers. But the advantages of such an investment are not always outweighed by the disadvantages. Diesel or electric pumps require fuel and maintenance, neither of which are readily available to the farmer living more than four hours walk to the nearest town. These barriers to a productive consumption of a surplus are well nigh insurmountable for farmers of this type.

Large scale capitalist farming on consolidated plots does not have its origins in a process of the ‘differentiation of the
peasantry’. Downward mobility is the usual path for commodity farming on parcelised holdings; upward mobility does occur, but it is almost impossible for farmers who produce *commodities* by means of *goods* to convert scattered plots into consolidated holdings. This is because *goods* are inalienable and the supreme good, land, has proved itself to be highly resistant to the corrosive forces of the market. In any case, the annual surplus of a family farm with 20 acres of land is minuscule compared with the mercantile profits realised by the merchants they deal with on a daily basis. Merchants face no obstacles to the accumulation of capital. Any profit can be reinvested in working capital in order to make bigger profits. Merchants who wish to diversify can move into mechanised farming on consolidated plots by buying up land near the urban centres. The few mechanised farms that exist in Bastar have originated in this way and the comparative historical evidence from England (Habakkuk, 1939–40) suggests the general hypothesis that agrarian capital accumulation may have its origins in the mercantile profit rather than the differentiation of the peasantry.

Rice-surplus households

*Table IV.3* disaggregates the data on rice-surplus producing households. Statistically speaking, Paklu’s household (#7) is the richest with a surplus ratio of 2.50. However, this is because he has no children. His wife is Suku’s (#3) sister. When he first came to Minipur he worked for his wife’s father and married on a *lamsena* basis. Under this arrangement the bride’s father pays for all the wedding expenses in exchange for so many years free labour from the son-in-law to be. Suku’s father owned 27.79 acres. When he died he gave 7.49 to Paklu and the balance to Suku, his only son. Suku is the richest man in the sense that he controls more land, labour and cattle than any other household head. He is a follower of Bihari Das, a Hindu missionary who has converted large numbers of Bastarians to his brand of Sankritised Hinduism, which does not permit meat eating, drinking or smoking. Suku has two sons, one of whom has embraced the Bihari Das religion and lives with him; the other hasn’t and lives separately. However, they all work together. In addition, there are another five
young men who live in Suku's house and work for him under a variety of labour contracts. Three men are ‘just like sons’ and are treated as such. One of these sons has been living with Suku since birth but it is unclear at this stage how much land, if any, he or the other two will inherit. Of the other two men, one is working for Suku on a *kamivaal* basis, an indigenous form of short-term labour contract, and the other works for Suku on a *kabari* ‘bonded labour’ basis. In this particular case Suku gave the man’s father a bullock in exchange for the labour of his son. Until such time as the bullock is returned, the man will live and work for Suku. Suku has large stocks of paddy in his granaries which he never sells. He uses this grain to pay the casual labour that he employs in the wet season and to feed the 18 members of his household. His marketing activity is restricted to the sale of his oil seed cash crops.

Joint families of Suku’s type were quite common in days gone by, when land was abundant and labour relatively scarce. However, with the reversal of the land/labour availability relationship, the *raisond’etre* for the joint family has gone and with it the institution of the rural joint family. Joint families, as we shall see in the next chapter, are still important institutions in the urban areas though.

After Suku, the next wealthiest household belongs to Gopi (#2) of the Maraar (Gardener) caste. His household consists of his three sons and their families. Like Suku, Gopi does not sell paddy. Household consumption is between 150–180 *khundi*
(2250–2700 kg) per year, while production grosses about 200 khundi (3000 kg). Of this 20 khundi (300 kg) is paid out in wages for weeding and 15 khundi (225 kg) is kept as seed. On these figures this household has a surplus of 15 khundi or a deficit of the same amount depending upon which consumption figure is used. In other words, the household is able to more or less break even in terms of paddy production. However, they never buy rice. Gopi’s granaries have sufficient stocks to get them over bad years. Also, in summer their rice consumption is less. They mix rice with a cereal called madia to make a watery mixture called pej. This is carried around in a gourd and both quenches the thirst and provides nourishment in the hot summer months. Even though Gopi’s paddy consumption roughly balances his production, he nevertheless manages to realise a cash surplus. This comes form his sales of non-rice crops such as urad, sarson, madia, kulthi, tilli and vegetables—nions, aubergine, tomato, bean, lady finger—which are carried to the market and sold by the female members of the household. The price they get for these vegetables is determined by the distance from the market in question to the main highway. In remote markets vegetables are purchased by local villagers and petty merchants from nearby urban centres. In the markets near the main road, the purchasing is done by big merchants from the city areas such as Raipur. They purchase in bulk; when a large, quick sale is needed, the women from Minipur carry their vegetables on their heads to Farasgaon, four hours’ walk away. Income from the sale of vegetables is a major income earner for Gopi, as he has one of the largest market gardens (atars) in Minipur. This requires a big investment of labour time, as the vegetables have to be tended intensively on a daily basis.

Rice-deficit households

Consider now the rice-deficit households. These households are more integrated into the wider commercial economy because they are unable to produce their basic staple in sufficient quantity to meet their own demand. They are therefore forced to do wage-labour work for the forest department or road work for the public works department in order to obtain money to buy the rice they need to see them
over the deficit period. The income from wage labour provides them with the ready cash to purchase rice from the market place. Given the periodicity of the markets, sometimes they are forced to purchase from within the village from the granaries of a rice-surplus producer. This price is usually higher than the market price, and the availability of this intra-village demand is an additional reason why surplus-rice producers do not market their surplus. Apart from the labour market, the weekly market place provides many opportunities for deficit producers to make ends meet. They can sell their cash crops, minor forest produce, and other products there. Some deficit producers survive by becoming petty merchants for three or four days per week; some set up tea shops, others become commission agents for grain merchants.

The key to understanding deficit-household behaviour, however, is to remember that their rice deficit is only for a part of the year. After harvest all rice producers have a surplus above immediate requirements that must be stored. These granaries are like banks and are used as such. They represent ready cash which can be drawn upon when necessary. If a householder has no vegetables, for example, a few kilograms will be withdrawn from the granary and sold to the grain merchant at the market. Poorer households are more likely to do this because they have a shortage of everything. A rich household, such as Gopi’s, by way of contrast, is more likely to sell non-rice forms of food at the market rather than to buy it. Money is also needed to buy non-food commodities, such as clothing, glass bangles, matches, and kerosene. If the item is urgently required and no cash is available, the poor householders are forced to deplete their granary. This running down of the granary increases the number of days per year that a deficit household will be without rice. The people are aware of this, of course, and the economic strategies they adopt are geared to minimising this.

It is useful now to consider some of the strategies adopted by some of the poorer households as an illustration of some of these general points.

All deficit households have one or more members who are away for some part of the year wage labouring. Forest and road work for government departments is the most popular. This involves absences from the village for periods of up to ten
days. Sometimes young unmarried women go to do this work. For example, labour contractors often recruit all the female members of the Gond’s village dormitory (ghotul) en masse for road work. Seasonal and longer term migration to urban centres is just beginning to be seen as another option. For example, Aasman Bisaru, who has only three acres of land and no cattle (see Table IV.4), has found seasonal employment with a cloth merchant. He drives a bullock cart containing the merchant’s stock to the circuit of markets the merchant attends. From the end of the rains of one year to the beginning of the rains the next year, he is continually on the move. His round takes him from Kondagaon on Sunday, to Sampur on Monday, Makdi on Tuesday, Randhna on Wednesday, Bare Dongar on Friday, Lanjoda on Saturday, returning to Kondagaon on Sunday. He travels all night and sleeps during the day at the market. Because Bare Dongar is close to his village, he is able to spend one night per week at home. In 1982 he earned Rs 80 per month clear after food and other expenses. Another deficit householder in this group, Devi, is now much better off, because his son found work as an office boy (peon) in Kondagaon. If a migrant can secure a relatively well paid job, the family fortunes can improve as is the case with Padmu. This household is now in the ‘intermediate’ category. They own 11.85 acres of land and 10 head of cattle. Padmu is the eldest of a joint family of three brothers, the youngest of whom is in the Home Guard at Kondagaon. He earns Rs 275 per month and sends a regular amount home to the village. This is a statement that he is not alienated from the village and that he wishes to share in the division of the family land, when it is made.

Another form of migration is where sons of poor farmers go off to work for a rich relative for an indefinite period of time. If they get on well with the relative, the stay may become permanent because, being a relative, the migrant can expect a share in the land for all the unpaid kinship labour supplied. Aasman Bisaru’s extended family is a case in point. His father had three wives and six sons: one, Lacchu, from the first; three sons, Lacchan, Lachman and Aasman, from the second; and two sons, Lacchmi and Lacchmu, from the third. Lacchu inherited one-third of his father’s land, including some highly fertile
land at Bare Dongar, where he now lives. Lacchu, now an important elder in the Naik patrilineage, has not been able to produce a son in spite of marrying four times. He is unable to work his land by himself, so Aasman’s two sons, as well as brother Lacchmi, have moved from Minipur to go and live and work with him. Lacchu’s land will almost certainly be divided up among these relations.

### TABLE IV.4 MINIPUR VILLAGE: RICE-DEFICIT HOUSEHOLDS

<table>
<thead>
<tr>
<th>Size of deficit (months without rice)</th>
<th>Name of household head</th>
<th>Caste</th>
<th>Total land (acres)</th>
<th>Rice land (acres)</th>
<th>Population</th>
<th>Population density</th>
<th>Surplus ratio</th>
<th>Cattle</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-6</td>
<td>1 Hiremhar</td>
<td>Marwar</td>
<td>5.23</td>
<td>4.00</td>
<td>7</td>
<td>1.34</td>
<td>0.57</td>
<td>6</td>
</tr>
<tr>
<td>0-6</td>
<td>2 Murli</td>
<td>Marwar</td>
<td>2.46</td>
<td>2.50</td>
<td>3</td>
<td>1.22</td>
<td>0.83</td>
<td>2</td>
</tr>
<tr>
<td>0-6</td>
<td>3 Aasman Bisar</td>
<td>Marwar</td>
<td>3.00</td>
<td>2.00</td>
<td>3</td>
<td>1.00</td>
<td>0.67</td>
<td></td>
</tr>
<tr>
<td>0-6</td>
<td>4 Sukhehand</td>
<td>Marwar</td>
<td>4.89</td>
<td>6.50</td>
<td>14</td>
<td>2.86</td>
<td>0.46</td>
<td>13</td>
</tr>
<tr>
<td>0-6</td>
<td>5 Devi</td>
<td>Marwar</td>
<td>3.50</td>
<td>2.50</td>
<td>4</td>
<td>1.14</td>
<td>0.63</td>
<td></td>
</tr>
<tr>
<td>0-6</td>
<td>6 Phaganu</td>
<td>Marwar</td>
<td>2.36</td>
<td>2.50</td>
<td>5</td>
<td>2.12</td>
<td>0.50</td>
<td>2</td>
</tr>
<tr>
<td>0-6</td>
<td>7 Sambat</td>
<td>Marwar</td>
<td>4.00</td>
<td>2.50</td>
<td>4</td>
<td>1.60</td>
<td>0.62</td>
<td>4</td>
</tr>
<tr>
<td>0-6</td>
<td>8 Barakul</td>
<td>Gond</td>
<td>5.80</td>
<td>2.50</td>
<td>4</td>
<td>0.69</td>
<td>0.62</td>
<td>3</td>
</tr>
<tr>
<td>0-6</td>
<td>9 Karathi</td>
<td>Halba</td>
<td>3.00</td>
<td>3.00</td>
<td>5</td>
<td>1.67</td>
<td>0.60</td>
<td>3</td>
</tr>
<tr>
<td>0-6</td>
<td>TOTAL</td>
<td></td>
<td>34.24</td>
<td>28.00</td>
<td>49</td>
<td>1.43</td>
<td>0.57</td>
<td>33</td>
</tr>
</tbody>
</table>

**Average**

|           | 3.80 | 3.11 | 5 | 1.43 | 0.57 | 4 |

| 6-11      | 1 Ganansu | Marwar| 2.48 | 1.00 | 3  | 1.21 | 0.33 |        |
| 6-11      | 2 Pasu     | Marwar| 2.48 | 1.00 | 4  | 1.61 | 0.25 | 4      |
| 6-11      | 3 Ghunsyam | Marwar| 4.96 | 2.00 | 6  | 1.21 | 0.33 |        |
| 6-11      | 4 Panka    | Marwar| 9.68 | 3.00 | 12 | 1.24 | 0.25 | 6      |
| 6-11      | 5 Baratu   | Marwar| 4.96 | 1.00 | 5  | 1.00 | 0.20 |        |
| 6-11      | 6 Ghandar  | Marwar| 2.25 | 2.00 | 5  | 2.22 | 0.40 | 2      |
| 6-11      | 7 Nathlu   | Marwar| 2.25 | 2.00 | 5  | 2.22 | 0.40 | 3      |
| 6-11      | 8 Radhe    | Marwar| 2.46 | 1.00 | 3  | 1.22 | 0.33 |        |
| 6-11      | 9 Lachhan  | Marwar| 3.00 | 3.00 | 7  | 2.33 | 0.43 |        |
| 6-11      | 10 Lachmu  | Marwar| 3.00 | 2.00 | 4  | 1.33 | 0.50 |        |
| 6-11      | 11 Lachminath | Marwar| 3.00 | 2.00 | 5  | 1.67 | 0.40 |        |
| 6-11      | 12 Bhikari | Marwar| 2.50 | 1.50 | 6  | 2.40 | 0.25 | 8      |
| 6-11      | 13 Ramji   | Marwar| 5.50 | 2.00 | 10 | 1.81 | 0.20 | 3      |
| 6-11      | 14 Shiva   | Marwar| 5.05 | 1.50 | 5  | 0.99 | 0.30 | 4      |
| 6-11      | 15 Sadhu   | Marwar| 2.50 | 2.00 | 7  | 2.80 | 0.29 | 4      |
| 6-11      | 16 Ghasu   | Rawat | 5.93 | 2.00 | 4  | 0.67 | 0.50 |        |
| 6-11      | 17 Chamar  | Rawat | 4.50 | 1.00 | 10 | 2.22 | 0.10 |        |
| TOTAL     |           |       | 66.50 | 30.00 | 101 | 1.52 | 0.29 | 34     |

**Average**

|           | 3.91 | 1.76 | 6 | 1.52 | 0.29 | 2 |

| 12        | 1 Lachmu | Rawat | 0 | 0 | 6   | –   | 0.0 | – |
| 12        | 2 Dor    | Lohar | 0 | 0 | 2   | –   | 0.0 | – |
| 12        | 3 Somar  | Lohar | 0 | 0 | 8   | –   | 0.0 | – |
| 12        | 4 Chamar | Ganda | 0 | 0 | 4   | –   | 0.0 | – |
| 12        | 5 Raju   | Gond  | 0 | 5 | –   | –   | 0.0 | – |
| TOTAL     | GRAND TOTAL |       | 100.74 | 58.00 | 175 | 67 |       |

**Average**

|           | 3.24 | 1.87 | 5.6 | 1.74 | 0.33 | 2 |
All deficit households have at least one female member who attends two or more markets per week. These women both sell grain and oil seeds to merchants as well as set up shop on a small, crowded patch of land next to other women from their village. For example, at the Bare Dongar market I attended on 18 December 1982, I saw the wife of Ganasu (a deficit farmer in the 6–11 months category) selling vegetables from her own garden together with onions and haldi which she purchased from a store keeper and was trying to sell at a profit. She was sitting next to the wife of her husband’s brother, Ghunshyam, another deficit farmer. Ghunshyam’s wife was selling cooked sweet potato, which she prepared at home, and vegetables. These two women go to two markets per week and earn between Rs 2 and Rs 10 per market. Another ten women from Minipur were sitting with them. They were also selling cooked sweet potato and vegetables. Only one of these women was a Gond. The Tribals from Minipur, I was told, prefer to sell grain to a merchant rather than set up shop. Petty marketing of this kind is regarded as women’s work.

Men mainly attend the market to purchase, to gossip, or to gamble at the cock fights in season. The latter can bring a large windfall gain, but it can also bring equally large losses. Fighting cocks can cost anything up to Rs 150, and if such a cock loses its first fight then all this is lost. The losing cock, which is either dead or close to it, is taken by the winner’s owner and eaten in a celebratory dinner. The winner also collects money, which varies according to the bets he has laid. The market offers other income earning opportunities for men apart from gambling. Some get jobs as commission agents (kochiya) for grain merchants—to be discussed below—and others set up businesses, such as tea shops. Budram, a member of the Rawat caste, is one such example. His elder brother Chamra farms their 4.50 acres, and his younger brother Sudram does the traditional caste work of grazing the village cows. They work as a joint family and assist each other when they are not busy with their own work. Budram, for example, attends three markets—Bare Dongar, Uranda Beda and Godma—and helps his brothers on the other four days. His tea shop business required a small amount of capital (about Rs 75) in the way of tea pots and glasses but business is brisk on market days, and
the net return he gets is good (Rs 5-Rs 30 net profit per market in 1982–83).

Apart from this economic activity outside the village, moneymaking opportunities within the village are also exploited. Seven of the wives of deficit household heads are small shopkeepers. They keep a small stock of general goods, such as matches, kerosene, coconuts, and other similar commodities. Customers from the village visit the store, but the women also go on selling trips (*raps*) to nearby villages.

Minipur had five completely landless households in 1982–83, and the question of their means of survival remains to be answered. Four of these households perform traditional caste occupations. The two Lohar (blacksmith) households are kept extremely busy making a wide range of new farm tools and repairing old ones. Nowadays, they buy their iron in bars from the market, but up until as recently as the 1960s they used to smelt their own. They used to collect the ore from a nearby range and smelt it in a small mud blast furnace of simple design. The government has declared this illegal, but it is still done in many areas. Blacksmiths never get cash for their work. Payment is always in kind such paddy, vegetables, and other farm products. It is said that the Minipur blacksmith would be a wealthy man, were it not for the fact that he drinks so much. The *ganda* (weaver) household is a poor one, being a victim of competition from imported machine cloth. The head can weave a sari in one day and sell it at the market for Rs 10 (1982 prices). However, raw materials cost Rs 9 and he therefore makes only Rs 1 profit. Drumming at wedding ceremonies is another traditional occupation of this caste, and this brings additional income in the months January to May. Most of his income comes from the sale of minor forest produce and daily labouring for the government. The *rawat* (herder) household arrived in Minipur in 1977. He grazes over 60 head of cattle, for which he is paid in kind. The remaining household is a Gond widow with four young children. She manages to survive by help received from her late husband’s relatives.
Commission agents

The first dealer a villager meets as he or she approaches the market place is the _kochiya_, the commission agent for the grain merchant. After harvest a medium-sized market place is ringed with literally hundreds of these agents. They squat down beside the tracks leading into the market and try to cajole the passers-by into selling their grain to them. They squat on bags behind a set of steel-arm scales slung from an overhanging tree branch or from a triangular arrangement of sturdy poles. On one side of them lies the pile of small change advanced to them by a big merchant, on the other heaps of grains and oil seeds of various types. The _kochiyas_ are the first dealers in the market place to set up business; their work is over by mid-day or soon after, which is the time when the seller-merchants are just beginning their work. The competition between _kochiya_ is fierce. They haggle with their women customers over prices and sometimes even try to grab the basket of grain from their heads. This is all done in a good-humoured, jocular fashion and the ‘game’ is enjoyed by all. The _kochiya_ all come from nearby villages, and both customer and dealer are well known to each other. During the season they will probably see each other at up to three or four different markets per week. Each customer brings on average 2–3 kg of grain, for which, in 1982, they were paid Rs 2–4, depending on the produce. At the end of the day the _kochiya_ gives the grain to the merchant who has advanced him the money and receives a commission of around Rs 3–4 per quintal of grain purchased. During the season this can earn him up to Rs 30 per market. Competition between _kochiya_ is not so much one of price but one of quantity. Prices are virtually fixed, and the struggle between _kochiya_ is over the quantitative share of the market they can appropriate.

In the Kondagaon marketing area, there were 352 _kochiya_ in 1983, all of whom are men. The caste and place of origin of these _kochiya_ is shown in Table IV.5. Sixty percent of these agents are Bastarians who live mainly in the rural areas and are rice-deficit farmers of the type discussed above. They attend the markets in the vicinity of their village, which on
average consists of one or two big markets where competition from other kochiya is fierce, and three or four small markets where they compete with only a few others. Of the 213 Bastarian kochiya only 70 were Tribals. Of the Hindus, the Kalar and Dewangan castes are predominant. The traditional occupations of these castes was wine making and silk weaving, respectively; however nowadays they are cultivators. The immigrant kochiya live in the main urban centres—Kondagaon, Lanjoda, Farasgaon, Dahikonga—and travel by cycle and/or bus to the markets surrounding these towns. These men are usually landless, but not necessarily poor, because being a kochiya is just one of many occupations they pursue.

Ganda is an example of a kochiya from the Bastarian group. He lives in Banyagaon, where he has a small holding of 5 acres.

**TABLE IV.5 CASTE OF COMMISSION AGENTS (KOCHIYAS)**

<table>
<thead>
<tr>
<th>Origin and caste</th>
<th>Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bastarians</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tribals</td>
<td>70</td>
<td>20</td>
</tr>
<tr>
<td>Kalar</td>
<td>39</td>
<td>11</td>
</tr>
<tr>
<td>Dewangan</td>
<td>29</td>
<td>8</td>
</tr>
<tr>
<td>Harijan</td>
<td>18</td>
<td>5</td>
</tr>
<tr>
<td>Marlar</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>Santanami</td>
<td>19</td>
<td>5</td>
</tr>
<tr>
<td>Katiya</td>
<td>16</td>
<td>5</td>
</tr>
<tr>
<td>Other</td>
<td>15</td>
<td>4</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>213</td>
<td>62</td>
</tr>
</tbody>
</table>

| **Immigrants**   |        |    |
| Sahu             | 18     | 5  |
| Rajput           | 16     | 5  |
| Muslim           | 24     | 7  |
| Jain             | 10     | 3  |
| Bruhman          | 8      | 2  |
| Others           | 63     | 18 |
| **TOTAL**        | 139    | 40 |
| **GRAND TOTAL**  | 352    | 100|

PRODUCTION OF COMMODITIES 147
This is not sufficient to maintain his family, and he travels to four markets each week—Kondagaon (Sunday), Kanera (Tuesday), Banyagaon (Thursday), and Mardapal (Saturday)—to work as a kochiya. He does this all year round and gets to the markets on his hired cycle. His traditional caste occupation is weaving, but he gave this up in 1975 and started kochiya work because of the competition from machine cloth. The weavers like him who live close to the big urban centres were the first to suffer the effects of this competition; weavers in remote areas still manage to struggle on, because the transport costs of getting machine-made cloth to these areas raise the price of cloth by a margin that is just big enough to ensure their survival. Another example of the Bastarian kochiya is Ghini and Ghasu, two brothers of the Gond Tribe from a village near Hirapur. They work together at three markets—Hirapur (Thursday), Amraoti (Friday) and Chhinari (Saturday)—during the season. They walk to Amraoti on Thursday evening, sleep at the market, and then walk to Chhinari the next evening, where they again stay overnight. They farm their land with their father under a joint family arrangement. Their household is ‘intermediate’ in terms of rice production and consumption, and the kochiya work they do gives them valuable extra ready cash. Yet another example of a Bastarian kochiya is Singh, of the Kalar caste from Lubha village. He attends only two markets—Makdi (Tuesday) and Randhna (Wednesday)—during the season. His village is situated mid-way between these markets, and he walks to them from home each day. Like the two brothers above, his competition comes from village-based kochiya in the neighbourhood of these markets. These ‘Orissa side’-markets, as they are called, are too far from Kondagaon and the main highway to be serviced by the urban-based kochiya.

Hari Singh is a relatively prosperous immigrant kochiya. He is a retired army sergeant and purchased 22 acres of land at Bijapur when he first settled in Bastar. This is worked by his sons, and he spends all year attending seven markets per week doing kochiya work. He attends all the Orissa side markets—Umtrakote (Monday), Makdi (Tuesday), Erla (Wednesday), Hirapur (Thursday), Amrawati (Friday) and Chhinari (Saturday)—as well as the big Kondagaon market on Sunday. These markets are the biggest in the region, and he does good
business. In August 1982, when he was interviewed, he was purchasing two quintals per day on average, giving him a profit of between Rs 10–15 per market in the off-season. His earnings during the season are probably double or treble this. Vishnu Charan is another relatively well-off immigrant kochiya. His father migrated from Maharastra and the family is Harijan-turned-Buddhist, like many other Maharastrians in the area. His father, with whom he worked, has five acres of land and is also a kochiya. They attend all the markets in the Kondagaon area—Sampur (Monday), Kanera (Tuesday), Kondagaon (Wednesday), Bamhni (Thursday), Dahikonga (Friday), and Mardapal (Saturday), and Kondagaon (Sunday). He earns Rs 400–500 per month in the off-season and Rs 1000 per month during the season, which is roughly the same as Hari Singh.

Kochiya have a reputation for cheating and avarice. They are often blamed for ‘exploiting the Tribals’. This proposition is part of popular mythology and has little basis in fact. While it is no doubt true that the seller of grain is cheated now and again in a transaction, it is certainly not the case that kochiya systematically cheat their customers. Firstly, kochiya are part of the farming community, not a class apart from it. They are dealing with friends and relations, and their profits depend upon establishing and maintaining good relations with people, not by exploiting them. Secondly, the range of prices a kochiya bargains within is so small to render prices virtually fixed. It is not from buying cheap and selling dear that his profits come; rather it comes from the absolute quantity that he can purchase, because commission received depends upon this. Thirdly, whilst it is true that kochiya can sometimes understate the weight of grain received from an illiterate customer, these amounts are very small per customer. For example, a woman usually only extracts a pailli or two of paddy from the granary in order to make a particular purchase. Whilst she does not know the weight of this rice, or the price per kilogram, she does have a very good idea of the price per volume of rice and knows approximately how much she can expect in money terms for the volume of rice she has taken to the market. Finally, competition between kochiya is fierce; the market is closer to the pure competitive ideal type rather than the monopolistic type.
Grain merchants

The food grain and oil seed marketing in the Kondagaon area is controlled by eight merchants. These merchants have divided up the markets between themselves in order to minimise competition. This can be seen in Table IV.6, which shows the relative importance of the different merchants and the division of markets between.

Consider first of all the markets. The relevant data from Table IV.6 has been reproduced on Map IV.1. This map shows very clearly a phenomenon mentioned at the beginning of this chapter, namely, as one moves from east to west towards the Narainpur Tahsil, the quantity of marketed paddy declines sharply. Farasgaon and Hirapur are the major centres of marketed paddy, with Kondagaon, ranked seventh. This calls for some explanation, because Kondagaon’s Sunday market is universally regarded the most important market in the area. Furthermore, Hirapur’s Thursday market is regarded as being only of average size and importance by the locals.
## TABLE IV.6 GRAIN MERCHANTS: MARKET PURCHASES OF PADDY OCTOBER 1982 TO JANUARY 1983 (QUINTALS)

| Market        | (day) | TMK Jain from Rajasthan | JRKC Jain from Rajasthan | Hiralal Jain from Rajasthan | R.J. Buddhist from UP | Khan Muslim from Baster | Jethu Hindu from Bastar | Mansuk Hindu from Gujarat | Harish from Gujrat | Govt. agencies | Other agents | Total (qtls) | % |
|---------------|-------|-------------------------|--------------------------|-----------------------------|------------------------|-------------------------|--------------------------|--------------------------|----------------|---------------|-------------|-------------|-------------|-------------|
| Farasgaon     | (M)   | 1829                    | 873                      |                             |                        |                         |                          |                          |                |               |             | 450         | 1745        | 4897        | 16          |
| Hirapour      | (Th)  | 2526                    | 768                      |                             |                        |                         |                          |                          |                |               |             | 134         | 173         | 3601        | 11          |
| Chinhai       | (S)   | 2608                    | 185                      |                             |                        |                         |                          |                          |                |               |             | 142         | 2735        |             | 9           |
| Randhina      | (W)   | 1005                    | 1231                     |                             |                        |                         |                          |                          |                |               |             | 462         | 2718        |             | 8           |
| Sampur        | (Tu)  | 1466                    | 317                      | 509                         |                        |                          |                          |                          |                |               |             | 133         | 251         | 2676        | 9           |
| Dahikongla    | (F)   | 1809                    |                          |                             |                        |                         |                          |                          |                |               |             | 614         | 2423        |             | 8           |
| Konadaugan    | (Su)  | 214                     | 387                      | 48                          | 448                    | 780                     | 1877                     |                          |                |               |             |             |             |             | 6           |
| Amrawati      | (F)   | 1352                    |                          |                             |                        |                         |                          |                          |                |               |             | 257         | 1748        |             | 6           |
| Kanera        | (Tu)  | 1475                    | 719                      | 567                         |                        |                          |                          |                          |                |               |             | 178         | 1734        |             | 6           |
| Lanjoda       | (Sa)  | 629                     | 388                      |                             |                        |                          |                          |                          |                |               |             | 226         | 1512        |             | 5           |
| Bade Dongar   | (F)   | 188                     |                          |                             |                        |                         |                          |                          |                |               |             | 188         | 1205        |             | 4           |
| Makdi         | (Tu)  | 900                     |                          |                             |                        |                          |                          |                          |                |               |             | 94          | 994         |             | 3           |
| Erla          | (W)   | 547                     | 259                      |                             |                        |                          |                          |                          |                |               |             | 51          | 857         |             | 3           |
| Mulmul        | (Th)  | 685                     |                          |                             |                        |                          |                          |                          |                |               |             | 69          | 754         |             | 2           |
| Kokodi        | (F)   | 101                     | 125                      |                             |                        |                          |                          |                          |                |               |             | 105         | 391         |             | 1           |
| Marsapal      | (Sa)  | 154                     |                          |                             |                        |                          |                          |                          |                |               |             | 107         | 377         |             | 1           |
| Urandabeda    | (W)   |                          |                          |                             |                        |                          |                          |                          |                |               |             | 339         | 339         |             | 1           |
| Mungapadar    | (Tu)  |                          |                          |                             |                        |                          |                          |                          |                |               |             | 301         | 301         |             | 1           |
| Bambhi        | (Th)  |                          |                          |                             |                        |                          |                          |                          |                |               |             | 101         | 101         |             | 1           |
| Bhongal       | (Su)  |                          |                          |                             |                        |                          |                          |                          |                |               |             | 66          | 66          |             | 1           |
| Chignor       | (Th)  |                          |                          |                             |                        |                          |                          |                          |                |               |             | 65          | 65          |             | 1           |
| Girola        | (Th)  |                          |                          |                             |                        |                          |                          |                          |                |               |             | 46          | 46          |             | 1           |
| Banyagaon     | (Th)  |                          |                          |                             |                        |                          |                          |                          |                |               |             | 27          | 27          |             | 1           |
| Bayanar       | (Tu)  |                          |                          |                             |                        |                          |                          |                          |                |               |             | 14          | 14          |             | 1           |
| TOTAL         |       | 7047                    | 5976                     | 4182                        | 3059                   | 1668                    | 900                      | 610                      | 223            | 3818         | 3975        | 31458       |             |             |             |
| %             |       | 22                      | 19                       | 13                          | 10                      | 5                       | 3                        | 2                        | 1               | 12            | 13          | 100         | 100         |             |             |
The Hirapur—Amrawati—Chhinari market area is physically isolated from the other markets in the Kondagaon area by the presence of large areas of reserved forest. However, it also borders Orissa, which was until the 1960s, an under-populated forest area. The resettlement of Bangladeshi refugees in the area has transformed the local economy. Large areas of forest have been cut down and the land turned into bunded fields producing paddy and other crops. Because of the relative isolation of the area and the underdevelopment of marketing facilities, farmers there have found that they can get a much better price for their paddy in the Bastar markets. Hirapur and Chhinari, being the nearest, are the markets they go to. They deliver their produce by the bullock cart load-full and these markets are the only ones in the study area where this is done. The usual method of bringing paddy to the market in Bastar is in small amounts carried on the head (women) or on the shoulder (men). The Orissa-side method of marketing paddy, then, is an exception to the proposition advanced above that only deficit-households tend to market their rice as, and when, they need cash.

The relatively small arrivals of paddy at the Kondagaon Sunday market does not reflect the general importance of this market for a number of reasons. Firstly, marketing in the immediate area of this town is more decentralised compared to Farasgaon. The markets Sampur, Bade Kanera and Dahikonga take away some of the business that otherwise would have gone to Kondagaon. Secondly, being the main urban centre of the district, there are alternative ways to dispose of one’s produce. These range from pretty traders in grain to small millers. However, these factors do not alter the fact that Farasgaon and surrounding district is the biggest area of marketed paddy. The Farasgaon rural area is more densely settled than those of Kondagaon. Kondagaon borders Narainpur Tahsil, and the factors that work to keep paddy from the market there also operate, if in somewhat weaker fashion, in the rural areas surrounding Kondagaon.

If the data in Table IV.6 is examined once again, it can be seen that most important markets have been divided up between three merchants who purchase over 54% of all marketed paddy. These merchants are all Jains from Jodphur District in Rajasthan, and they, along with their relatives, are
the single most powerful force in the marketing system of Bastar today. They are involved in the merchandising of almost every commodity that enters and leaves Bastar. These ‘Marwaris’, as they are called, have kinship-cum-trading links that cover all India, and the Bastar Marwaris are part of this all-India elite.

The territory is controlled by the different merchants are shown in Map IV.2. The Orissa-side markets, is controlled by TMK Company, the biggest Marwari firm. Khan, a Muslim merchant, also has a small share in these markets. The markets in the immediate vicinity of Kondagaon are virtually monopolised by JRKC. Hiralal and R.J.Trading work the markets to the north of Kondagaon whilst Jethu Ram controls the remaining area consisting of just two markets. The minor markets to the west of Kondagaon are controlled by a number of small merchants/big kochiya who buy and re-sell to one of the big merchants.
The Marwari families are extremely wealthy, and they make no attempt to hide the fact. The firms are joint family business concerns, and the members of the families live together in mansions in Kondagaon (TMK and JRKC) and Lanjoda (Hiralal). Large numbers of motor vehicles of various kinds—the most obvious symbol of wealth in Bastar—are usually parked outside these houses. The wealth of these merchants is legendary, and most people who live in Kondagaon can give a very accurate account of their tangible assets. For example, it is well known that TMK has 6 trucks, 2 jeeps, 1 car, 1 Bullet motor bike, 1 Rajdoot motor bike, 1 scooter, a rice and flour mill worth Rs 100,000, a 20-acre farm at Bijapur, and a cloth shop. Hiralal and Co. of Lanjoda, who are not as wealthy, only have 2 trucks, 1 tractor, 1 Rajdoot motor bike, 1 jeep, and a farm.

Like most Marwari families in Kondagaon, these families are very large. TMK, for example, consists of seven brothers and six sisters. The eldest surviving brother has eight children, the second eldest six so far, and the other brothers are yet to produce. A high population growth-rate with a large proportion of males is essential for the continued prosperity of a merchant family. This is the only source of managerial labour for running their various businesses. Large sums of money have to be handled, and relatives are the only people who can be trusted.

The wealth of these merchants has been accumulated since the 1950s, when the migration of Marwaris to Bastar began. Some brothers elected to go it alone on first arrival in Bastar, others formed partnerships. The present structure of big firms in Bastar reflects these initial decisions rather than inherited wealth. Take the JRKC firm, for example. The founders of this firm were two brothers. They had four and five sons respectively, the eldest of whom are now working for the firm (the younger ones were still at school in 1983). As the two founding brothers are still in their fifties, the problem of eventual division of this estate is unlikely to arise for some time. The most likely outcome will be the creation of two new joint families around the two groups of brothers. It hardly needs to be said that the consequences of this division will have little or no affect on the potential profitability of the firm. Population growth and inheritance does not affect rich
merchants in the same way it affects farmers. The division of one million rupees in merchant capital into two parts is not the same as the division of 10 acres of land into two equal shares. The founding brothers of the JRKC firm had three other brothers. They all started their own independent cloth businesses, and all have ended up extremely wealthy, as well. They started off both retailing and wholesaling cloth and grew in wealth as marketing activity intensified.

While the Marwaris compete with one another in the lucrative cloth trade, a notable feature of grain and oil seed marketing is the absence of any direct competition from other Marwaris in the territories they have carved out for themselves. The competition has come from other castes.

Competition between purchasing merchants is primarily of the non-price type. This is because there is little room for price manipulation. In the paddy market, for example, a floor price is fixed by the government—Rs 122 per quintal in 1982–83—and the ceiling price is fixed by market forces outside Bastar. When there is a good harvest, paddy market prices tend to fall below the government floor price. In such circumstances all paddy is traded at the floor price and there is no price competition. When the rain fails and the harvest is not as good as usual—as it was in 1982–83—the market price prevails. This gives merchants some room for price competition, but not very much. Competition among merchants in Bastar, then, is more concerned with quantity rather than price. The aim of the merchant is to capture the largest share of the market and his ability to do this depends on his capital. Merchants must advance cash to their *kochiya* before the market begins, and the more *kochiya* he can employ to purchase grain and oil seed for him, the greater his share of the market is likely to be.

Table IV.7, which shows the prices and quantities of paddy purchased at Hirapur market over the period 11 November 1982 to 27 January 1983, illustrates these points. Hirapur market is in the territory controlled by the TMK firm, the biggest Marwari merchant. Khan, a small Muslim merchant, has encroached onto his territory. Khan attended this market eight times during this period. In five out of these eight times, TMK was able to offer a slightly higher price. This, however, is not the main reason TMK captured the lion’s share of the market. TMK, being a much bigger concern, is able to bring
much more working capital to the market. This averaged Rs 25,631 for the three months in question, compared to Rs 9,330 for Khan. It is clear that if Khan is only able to bring say Rs 10,000 in cash to the market, then there is a ceiling to the absolute amount of grain that he is able to buy.

Purchasing merchants work on a gross profit margin of around 5%. From this, expenses such as storage, transport, agents’ fees, must be deducted. Their net profit margin then is very small. Big absolute profits can only be achieved through high turnover. This is a further reason why quantity rather than price competition is the arena of conflict.

The government purchasing agency representatives—called ‘lamps’—are present at every market. They offer to buy rice at the floor price and their intervention in the market prevents the price from dropping below this. As Table IV.7 shows, they intervened in the Hirapur market in November and December, when it was not clear what the harvest was going to be like. However, by the end of December paddy prices began to rise, and they ceased purchasing— or, to be more precise, farmers stopped selling to them, because they continued to offer to buy

<table>
<thead>
<tr>
<th>Date</th>
<th>TMK quintals price (Rs)</th>
<th>Khan quintals price (Rs)</th>
<th>Lamps quintals price (Rs)</th>
<th>Govt. rice mill quintals price (Rs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov 11</td>
<td>150</td>
<td>123</td>
<td>75</td>
<td>122</td>
</tr>
<tr>
<td>Nov 18</td>
<td>305</td>
<td>124</td>
<td>38</td>
<td>122</td>
</tr>
<tr>
<td>Nov 25</td>
<td>316</td>
<td>122</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dec. 2</td>
<td>190</td>
<td>122</td>
<td>70</td>
<td>122</td>
</tr>
<tr>
<td>Dec. 9</td>
<td>145</td>
<td>122</td>
<td>75</td>
<td>122</td>
</tr>
<tr>
<td>Dec. 16</td>
<td>160</td>
<td>122</td>
<td>75</td>
<td>122</td>
</tr>
<tr>
<td>Dec. 23</td>
<td>160</td>
<td>122</td>
<td>62</td>
<td>122</td>
</tr>
<tr>
<td>Dec. 30</td>
<td>193</td>
<td>125</td>
<td>88</td>
<td>122</td>
</tr>
<tr>
<td>Jan. 6</td>
<td>250</td>
<td>125</td>
<td>185</td>
<td>125</td>
</tr>
<tr>
<td>Jan. 13</td>
<td>252</td>
<td>126</td>
<td>70</td>
<td>126</td>
</tr>
<tr>
<td>Jan. 20</td>
<td>181</td>
<td>126</td>
<td>96</td>
<td>125</td>
</tr>
<tr>
<td>Jan. 27</td>
<td>179</td>
<td>128</td>
<td>64</td>
<td>125</td>
</tr>
</tbody>
</table>

Average capital advanced per market: Rs 25,631 Rs 9,330
at Rs 122. Lamps officials set up business at every market during the season and offer the same price every week. They have nothing to do when the market price is high, as most sellers are well informed on the latest price. However, if a farmer makes a mistake and offers grain for sale to them, they are just as likely to buy it, rather than tell him or her that a better price can be had elsewhere. Such occurrences are rare, but they do highlight some of the problems that arise through bureaucratic intervention in the market.

Another occasional purchaser at the markets is the Government co-operative rice mill. It occasionally ‘raids’ a market and appropriates the share it wants by paying the best prices, as can be seen from its intervention in the Hirapur market in December 1982. The role of this mill is considered further below.

It is clear that the Marwaris have the grain merchant business well and truly under control. They have carved up the territory and their businesses have grown with the growth in marketing activity. They got in ‘on the ground floor’, as the saying goes. Locals have no hope of making inroads into this business.

Jethu Ram’s case is worth considering here, because he was the only Bastarian Tribal who has been able to break into the grain merchant business. He is extremely wealthy by local standards. He has a large pakka house, a Rajdoot motor cycle and has recently purchased a tractor and trailer for carting grain. However, his wealth pales in significance compared with the Marwari firms. He buys only 2% of total paddy marketed compared with 22% for TMK. Jethu Ram lives at Makdi and is the sole purchaser at this market and Gamhari, a neighbouring market. His father was the patel of Makdi and was a man of some means. He began to work as the grain merchant for Makdi, when the previous merchant—a Gujarati Brahman—decided to move into a sedentary business in Kondagaon. The Brahman gave him a loan of the crucial finance that he needed, and his business has not looked back since. However, the small territory he controls, coupled with the limited business opportunities in a remote village such as his, limits the growth potential of a firm such as his. But the opportunities Jethu Ram had to get started are no longer open
Agricultural Produce Marketing Committee *(Mandi)*

In 1973 The Agricultural Produce Marketing Committee *(Krishi Upaj Mandi Adhiyam)* was set up. Its aim was to ‘provide for the better regulation of buying and selling of agricultural produce and the establishment of proper administration of markets for agricultural produce in the state of Madhya Pradesh’. The Mandi regulations cover a wide range of fibres, cereals, pulses, oil seeds, narcotics, sugar cane and gur, fruits, vegetables, condiments and forest products. So far the Kondagaon Mandi has restricted its activities mainly to paddy, maize, sarson, harra, mahua, ramtilli, and tilli.

Its income comes from a 0.5% tax levied on the purchases of traders. As the turnover of merchants is regularly in excess of Rs 20 mill., this brings in large sums of money, as can be seen from Table IV.8. This money has been used to build imposing new premises on about 5 acres of land near the Kondagaon market. The complex includes an office block, godown, covered market place, and special rest houses for traders, farmers and bureaucrats.

The Mandi is governed by an elected body of 7 people, 5 agriculturists and 2 merchants. The agriculturists elect the president. There are about 270 such boards in Madhya Pradesh.

<table>
<thead>
<tr>
<th>Year</th>
<th>Merchants’ turnover</th>
<th>Income (Rs.000s)</th>
<th>Expenditure (Rs.000s)</th>
<th>Net Income (Rs.000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1976–77</td>
<td>20,600</td>
<td>103</td>
<td>45</td>
<td>58</td>
</tr>
<tr>
<td>1977–78</td>
<td>22,600</td>
<td>113</td>
<td>74</td>
<td>39</td>
</tr>
<tr>
<td>1978–79</td>
<td>21,600</td>
<td>108</td>
<td>60</td>
<td>48</td>
</tr>
<tr>
<td>1979–80</td>
<td>20,600</td>
<td>103</td>
<td>53</td>
<td>50</td>
</tr>
<tr>
<td>1980–81</td>
<td>30,600</td>
<td>151</td>
<td>123</td>
<td>28</td>
</tr>
<tr>
<td>1981–82</td>
<td>36,200</td>
<td>181</td>
<td>142</td>
<td>39</td>
</tr>
</tbody>
</table>

TABLE IV.8 AGRICULTURAL PRODUCE MARKETING COMMITTEE (MANDI): NET INCOME
and these, in turn, are presided over by an MP State Marketing Board.

An auction is held on market day every Sunday at Kondagaon. Middlemen bring their produce here after 3.00 pm and it is auctioned off to wholesalers and rice millers. Plans have been set in motion to have Mandi premises built at all the major centres in the Kondagaon range—Bade Dongar, Makdi, Hirapur, Chhinari, Mardapal, Farasgaon, Dahikonga, Amrawati and Sampur—and to establish similar weekly auctions at these places. This will send small commission agents out of business in these places and, it is believed, will raise the price received by the farmer.

At present Mandi staff visit every market to check that merchants and their agents are not cheating the farmers: they check scales and weights and make sure that all buyers are licensed. They also collect data on purchases, so that tax returns can be checked. Formerly, they used to collect the taxes as well, but the system was changed after it was discovered that one of the tax collectors was misappropriating funds.

It is too early to assess the success or failure of the Mandi at this stage. As it poses no threat to the profits of the big merchants, its continued existence seems assured. In return for their tax contribution they are getting an institution which centralises marketing activity and hence makes their job that much easier. The commission agents (kochiya) are the ones most likely to suffer. But, as they have no power, nothing will come of this opposition. If commission agents do suffer, then small farmers, to the extent that they are also commission agents, will suffer.

The rice mills

Having purchased paddy from the various market places in the region, merchants bring it to Kondagaon for resale to the local rice mills or, in the case of the biggest merchant, re-sell to merchants outside Bastar. The rice mills are required by law to sell a fixed percentage (60% in 1982) of their milled rice production to the government-run Food Corporation of India. They are free to dispose of the balance as they wish; in 1982–83 this balance went to private dealers in Orissa and Kerala.
There are ten rice mills in North Bastar, seven of which are privately run and three government owned. The latter are located in the three biggest urban centres—Jagdalpur, Kondagaon and Kanker. Jagdalpur, the administrative capital, has five private mills; Kondagaon has two.

In Kondagaon—the only town for which I have data—the two private mills are highly profitable operations, while the government-run mill is facing serious financial problems.

The government mill—the Kisan Rice Mill—was established in 1969 and was the first rice mill in Kondagaon. It is a cooperative and had 1381 members in 1982. The majority (1340) are small farmers, who have paid between Rs 25 and Rs 100 for a share; the remaining members are nominated officials and government institutions.

The paddy purchases and rice production figures for the Kisan Rice Mill for the period 1960–1982 are shown in Table IV.9. Of particular note are the purchasing and production figures for 1980–82. Paddy purchases for 1981–82 declined accordingly.

These figures must be seen in the light of the data in Table IV.10, which gives relevant financial data, as well as

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**TABLE IV.9 KISAN RICE MILL: PADDY PURCHASES AND RICE PRODUCTION**

<table>
<thead>
<tr>
<th>Year</th>
<th>Paddy purchased (quintals)</th>
<th>Rice milled (quintals)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1969–70</td>
<td>26,136</td>
<td>9,395</td>
</tr>
<tr>
<td>1970–71</td>
<td>14,125</td>
<td>10,416</td>
</tr>
<tr>
<td>1971–72</td>
<td>8,273</td>
<td>7,879</td>
</tr>
<tr>
<td>1972–73</td>
<td>6,246</td>
<td>4,560</td>
</tr>
<tr>
<td>1973–74</td>
<td>10,263</td>
<td>6,661</td>
</tr>
<tr>
<td>1974–75</td>
<td>22,066</td>
<td>13,227</td>
</tr>
<tr>
<td>1975–76</td>
<td>33,067</td>
<td>17,433</td>
</tr>
<tr>
<td>1976–77</td>
<td>27,805</td>
<td>19,103</td>
</tr>
<tr>
<td>1977–78</td>
<td>21,391</td>
<td>12,176</td>
</tr>
<tr>
<td>1978–79</td>
<td>17,252</td>
<td>14,329</td>
</tr>
<tr>
<td>1979–80</td>
<td>26,062</td>
<td>15,586</td>
</tr>
<tr>
<td>1980–81</td>
<td>10,104</td>
<td>3,150</td>
</tr>
<tr>
<td>1981–82</td>
<td>2,481</td>
<td>1,194</td>
</tr>
</tbody>
</table>
rainfall statistics. The price of paddy has more than doubled over the period of 1969–82, reflecting the general inflationary trend throughout India. The selling price of milled rice has shown a similar trend, increasing from Rs 0.80/kg in 1969–70 to Rs 1.94/kg in 1981–82. The gross profit margin—the difference between buying and selling prices—averaged 75% over the period, with a peak of 128% in 1974–75. This was the only year that the mill succeeded in making a profit of any size. It was also a drought year as the rainfall statistics show. Only 1247 mm of rainfall fell in 1974–75. This was the lowest rainfall for the entire period and some 275 mm below the average rainfall of 1522 mm. The inescapable conclusion, then, is that the Kisan Rice Mill can only function profitably in abnormal situations, ie. that it is not a going concern. The mill has ceased operations.

In 1973, the first, and biggest, private rice mill was established in Kondagaon. This is owned by the Chitaliya Brothers, Bania caste migrants from Gujarat. The eldest of this family of four brothers arrived in Dhamtari in 1948 and set up a service station business there. He was joined by his second brother in 1955, a third in 1958, and the fourth in 1961. The latter is university educated and runs the rice mill very efficiently and profitably. The family, which is now one of the richest in Kondagaon, has harra, tamarind and oil seed exporting businesses in addition to their rice mills and petrol stations.
The other private mill was established in 1979. This is owned by a Punjabi family. The head of this family is a Hindu refugee from Pakistan. He and a number of his relatives fled Pakistan in 1947 and settled temporarily in Hardwar, U.P. They then moved to Bastar in the early 1950s and are now all very successful businessmen.

The private mills have the same gross profit margin as the Kisan rice mill. In January 1983, for example, the Punjabi mill was buying paddy from merchants at Rs 1.30 per kg and selling rice to the Food Corporation of India at the fixed price of Rs 1.68 and on the private market for Rs 2.50. This represents a gross profit margin of 52% and 92% respectively, or around 70% on average. The private mill owners blame the failure of the government mill on the bureaucracy: ‘Government mills never run efficiently. The managers are not allowed to make decisions without reference to a higher authority. A decision that takes me five minutes to make takes them five days.’

The private mills get all their paddy from the eight merchants. They do not compete for the merchants’ paddy. Merchants have standing business arrangements with one or other of the mills and sell all their paddy to it on a regular basis. For example, Chitaliya Brothers buy from TMK, JRKC, Hiralal, RJ Traders and Harish Kumar, while the Punjabi mill deals with Khan, Jethu and Mansuk.

The merchants Chitaliya Brothers dealt with are by far the biggest. They purchased 20,000 kgs of all market arrivals in 1982–83 compared with the 3000 kgs purchased by the merchants who supply the Punjabi mill. However, the Punjabi mill is smaller than the other private mill and works at full capacity during the season. Furthermore, as the closure of the government mill means extra business for the private mills, peaceful co-existence, rather than competition, will continue to be the basis of future relationships between these mills.

CONSUMPTION OF GOODS BY MEANS OF COMMODITIES

The discussion so far has concentrated on the production of commodities by means of goods. I finish with a brief
discussion of its converse, the *consumption of goods by means of commodities*.

To recapitulate briefly, the Bastar political economy is a classic example of Marx’s selling-in-order-to-buy which he represents as \( C\rightarrow M\rightarrow C \). But Marx’s argument denies the coevality of goods and with it the reality of the relations of consanguinity, affinity and contiguity. If this coevality is affirmed the formula has to be expanded to include goods which gives \( M\rightarrow C\rightarrow G\rightarrow C\rightarrow M' \) where \( G \) represent *goods*. The formula could just as well be written as \( G\rightarrow C\rightarrow M\rightarrow C\rightarrow G \). The only difference lies in the interpretative emphasis. The former has the Market encompassing the House, the latter gives the values of the House primacy. Marx takes the Market perspective and ignores the existence of the House.

The discussion to date has concentrated on \( G\rightarrow C\rightarrow M \), the *production of commodities for money by means of goods*. The evidence has shown, among other things, that the ‘tribal’ economy of Bastar is a variation on a very general pattern and that there are is nothing in the notion of ‘tribe’ that gives it any cultural specificity. The notion is an administrative category not a cultural one. Furthermore, any idea that Bastar is a ‘subsistence’ or ‘use-value’ economy is simply nonsense.

The *consumption of goods by means of commodities* can be represented by the formula \( M\rightarrow C\rightarrow G \), the return journey from the market as it were and the two parts considered together give \( G\rightarrow C\rightarrow M\rightarrow C\rightarrow G \). It is important to note that the \( G \) at the beginning of the formula is not the same \( G \) as at the end. The former consists, for the most part, of farm land, the supreme good; the latter consists of subordinate goods purchased on the market for non-commercial purposes. This raises the question of the theory of consumption on which there is now a burgeoning literature (Miller, 1995). I restrict myself here to an analysis of Alfred Gell’s (1986) ‘Newcomers to the World of Goods: Consumption Among the Muria Gonds’ because this is an attempt to apply cultural theory to the case of Bastar.

Gell (1986) is concerned to understand what he calls the ‘collectivist consumption ethos’ of the Muria Gonds of Bastar. This ethos, he claims, obliges the rich to consume as if they were poor with the result that they still become richer. He argues (1986:123) that the collectivist ethos ‘has its roots in a phase of the tribe-caste conversion process in which
interhousehold economic differences was minimal and inequalities in wealth between households would be at most temporary, owing to the absence of media of capital accumulation.’ This tribe to caste movement is from nature to culture, from forest to farmland. ‘As I understand it,’ argues Gell, ‘during the period of Hindu expansion in north Bastar during the last century, Muria moved into the forest, pushing out from Hindu enclaves, felling trees and clearing fields, which then proved attractive to incoming Hindus. The Hindus took over the land, expanding their enclaves, and the displaced Muria moved on to repeat the process elsewhere. The Muria did not simply give way to force majeure; the land was ceded amicably against payment in animals, grain, liquor, and small quantities of gold and silver that would be quickly be reconverted into food or, more likely drink. Hindus we spoke to claimed that in the good old days it was possible to obtain large areas of land from the Muria in exchange for a single gold earring or some other token payment. These Hindus attributed the Muria’s fecklessness about land to their uncontrollable desire for intoxicating liquor’ (1986:117). Gell acknowledges the great political, social and economic changes that have occurred this century and that this ‘old easy come, easy go’ attitude to land has vanished with the introduction of permanent fields ‘whose construction and upkeep represent years and years of accumulated labor’ (1986:124).

The general thrust of Gell’s argument, then, is that even though the Muria have partially succeeded in turning themselves into castes of a farming kind, their values derive from a nineteenth century era of tribal harmony and equality when they welcomed the liquor-bearing conquerors with open arms. This version of a tribal paradise lost may reflect a certain ‘native point of view’ of Bastar history but it is not one that should be accepted uncritically. I concede that the ‘tribe/caste continuum’ thesis has had a profound influence on anthropological thought in India and that most anthropologists accept some version of it. In my opinion, though, it is a barrier to understanding because the categories ‘tribe’ and ‘caste’ are part of the problem, not the answer. These notions are extremely important political categories in India today and their significance cannot be understood without reference to the official policies of the state and the official theory that
informs those policies. Millions of people are classified as belonging to one category or the other and these classifications have important economic and political implications. The anthropologist who uses these categories is also getting involved in a process of ethnographic classification. To distinguish between tribes and castes, and to place these categories at the endpoints of a ‘continuum’, presupposes a generally agreed set of objective criteria for locating a given group of people somewhere along the slippery slope. But whose values do these ‘generally agreed’ measures express?

Consider Gell:

Among the items of tribal art for which Bastar is famous, the most prominent are the gunmetal figurines made by the lost-wax process. Like all Muria material culture with ‘tribal’ associations, these sculptures are not actually made by Tribals at all, but by the local bronze-working caste (Ghassiya). These objects are placed in temples, and they are avidly collected by tourists (1986: 135). The Kondagaon lost-wax sculpture establishment... produces mainly for tourists. Significantly the leading craftsman is an educated adivasi [tribal], not a member of the low-ranking (Hindu) Ghassiya caste traditionally occupied with this work (1986:137).

The fact of the matter is that, contrary to popular belief, the leading craftsman in question, a person with whom I have worked closely, has had no formal education and is a member of the Ghassiya group. The idea that the Ghassiya are low-caste Hindus is official government theory; it is also a generally accepted fact in Bastar, a value that has been uncritically reproduced in the anthropological literature first by Elwin (1947:13) and now Gell. The Ghassiya and other artisans of Bastar do not accept this classification and are engaged in a dispute with the government over it. They point to the contradiction between the generally agreed idea that their products are classified as Tribal whilst they, the producers, are classified as Hindus. They claim that they are the Aborigines of Bastar and that the Gonds, whose ‘Tribal’ status is uncritically accepted, are the immigrants. This claim is not as outrageous as it sounds. For example, their mother tongue,
Halbi, is the local dialect, their long genealogies reveal no evidence of migration, and their myths establish Bastar as their origin place. Gond myths of origin, by way of contrast, all tell a tale of migration into Bastar (Elwin, 1947). The thesis that all Bastar Hindus, including the royal family, are Aborigines is also one that must be taken seriously. All commentators on Bastar, for example, uncritically accept Royal myths of origin and migration as historical truth. It may be that the Bastar kings have genealogical links with the ancient centre of power at Delhi but it is also equally possible that these genealogical tales are the product of a royal tribal imagination.

My simple point here is not that Gell is wrong and I am right but that the status of the Ghassiya is in dispute and that there is an irreconcilable contradiction between the generally accepted ‘native point of view’ and the point of view of the Ghassiya. Gell uncritically reproduces the generally accepted ideology. ‘Continuum’ theory needs this generally accepted ideology because if the definition of its end points are thrown into question the ‘continuum’ that is supposed to connect them loses all meaning.

I also question Gell’s claim that the roots of a value system are to be found in the values of long dead ancestors and that they somehow leapfrog a century of genealogical history to bear down on the minds of the living. The values of goods, I assert, establishes a link between the dead and the unborn by means of the living, and, furthermore, it is the struggle for prestige among the living that determines what standard of value reigns supreme. The Ghassiya are losing this battle but they are not down and out: two standards exist, not one.
CHAPTER V
Mercantile Kinship

Shylock. I will buy with you, sell with you, talk with you, walk with you, and so following; but I will not eat with you, drink with you, nor pray with you.

_Merchant of Venice_

TERRITORIALITY AS A VALUE

Merchants buy cheap and sell dear. This principle of merchant capital accumulation, a general one which has been discovered by many people from many places in many times, has the objective form Money-Commodity-more Money, or M-C-M′ to use Marx’s celebrated formula. Thus buying cheap (M-C) and selling dear (C-M′) ensures a profit amounting to the difference between M′ and M. Marx’s labour theory of value enabled him to expose the ‘secret’ of this form. According to him, commodities exchange at a ratio that is in proportion to the labour embodied in them. Exchange, then, is a sphere of equalised labour-values and any divergence from this equality is a zero sum game of distribution. The factory floor, by way of contrast, is the sphere of inequality and the origin of profit; it is here that the capitalist relieves the worker of his surplus-labour. Guided by this theory, then, Marx quickly moves the focus of his analytical attention from the market place to the factory floor. Given the nature of the nineteenth century English society he was looking at, this was a reasonable move. But for someone concerned with the analysis of agrarian relations in the twentieth century Asian countryside the labour theory of value is doubly misleading. Apart from the empirical fact that a place like Bastar has no industry to speak of, the
labour theory of value abstracts from a very important territorial fact of merchant capitalism: the idea that mercantile profits are made by buying cheap here and selling dear there. Human relations mediate this space, but what is the nature of this relationship? What links the here of M-C with the there of C-M′?

History and ethnography reveal that specific forms of ‘jointness’ have been established for this purpose: the ancient joint family and the relatively new joint stock company. The joint stock company is without doubt the most important institution in the world today. The faceless men who run these companies control ever-growing amounts of money which gives them great power and influence in the political arena. The rise of the joint stock company has been spectacular. In many cases this has been at the expense of the joint family company but not always for the relationship between the two types of organisation can sometimes be very close. Consider the following account of Chinese merchant families in the Philippines for example:

[T]he Chinese kin group has several important features like those of stock corporations, with perhaps the greatest difference being that kinship limits participation. The resemblance is so strong that it has been explicitly recognized, and some families have actually issued ‘stock’ shares (informally, without a charter) to their members. In one case, for example, thirteen shareholders divided profits at the end of each year. Furthermore, after the death of two of the original shareholders, rather than reapportion the deceased relatives’ shares, income accruing to them has been set aside to finance education for the sons of family members (Davis, 1973).

The merchant family thrives in rural areas where land is a parcelised good, markets are periodic, merchants mobile, and where non-industrial methods of agricultural production such as ox-drawn wooden ploughs constrain profits and mercantile capital accumulation. For a given merchant this profit varies with the particular mode of distribution of periodic markets in an area and the mode of transport owned, be it shoes, bicycle, private vehicle or public transport. The joint stock company,
by contrast, has no such limitations. Industrial production and global distribution offer seemingly unlimited scope for the accumulation of capital for a legal entity of this kind. The local and limited nature of the merchant family, then, is what gives it its specificity and its human importance for it serves as the buffer between the village and the world at large.

The principles governing the jointness of stock companies are enshrined in the laws of the nation state, in company law, contract law, taxation law and so on. But what principles govern the reproduction of the merchant family? This is an empirical question that can only be answered by fieldwork, comparative ethnographic analysis and theoretical reflection. In this chapter I offer my theoretical reflections on these questions in the light of ethnographic research done in Central India. Central to my theoretical argument is the notion of territoriality as a value. I begin with a brief discussion of this concept to set the stage for the ethnographic material that follows.

Territoriality is a form of consciousness that binds people together. It is made up, Guha notes (1983a:279), ‘of a sense of belonging to a common lineage as well as a common habitat’. Territoriality, then, is the union of consanguinity with contiguity that defines an ethnic space, a domain that is much larger than the physical boundaries defined by the supreme good, the inalienable farmland under the guardianship of a particular branch of a family. The term territoriality is Guha’s but the idea behind it, as Guha acknowledges, comes from Lowie (1962:73) who noted that if ‘we inquire into the bond of consanguinity we find lurking in the background a spatial determinant of the sentiments underlying it. Abstractly separated by a chasm, the two types of union are in reality intertwined.’

From the perspective of value, territoriality is like the shade cast by a big tree. It has the same materiality as a shadow but, like an actual shadow, it can bring real advantages to those under its cover and disadvantages to those outside it. If in times of war it describes the limits beyond which insurgency cannot carry (Guha, 1983a: Ch 7), then it times of peace it describes the limits of capital accumulation of a specific mercantilist kind. The ethnic space defined by the latter manifests itself as a nested hierarchy of heterogenous regions of
various sizes rather than as a single flat ethnically homogenous domain. Each ethnic space is defined by a notion of home, by rules of endogamy, and by forms of commodity specialisation.

Home. The notion of place at the heart of territoriality is defined by the link between homeland and tradeland. The homeland, the birthplace of ancestors, the location of family goods, is the ground upon which prestige is cultivated; the tradeland, which is usually described by those periodic market places within travelling distance of the current residence of a merchant, is the domain of profit.

Endogamy. The boundaries of this ethnic space are described by rules of endogamy. This includes not only the rules of marriage, which describe the innermost circle of territoriality, and the shared language, which describes the outer circle, but, most important of all, the principles governing the transmission of mercantile credit within these circles and over time.

Specialisation. Territoriality is associated with commodity specialisation of a mercantile kind. Thus we find that high prestige, high profit commodities such as gold and silver tend to be in the hands of wealthy traders, while low prestige, low quality commodities are associated with poor, low status traders. Not too much must be made of this latter principle however. Commodity specialisation is an observed tendency rather than an ideological principle.

Territoriality is to merchant household polity what purity is to Brahmanic household polity. Within the mercantile household polity of India the Marwari territoriality is the most extensive. The Marwaris are to India what the Chinese are to southeast Asia and the Jews were to Europe. Marwar was the name of the former princely state now know as Jodhpur District; the term Marwari is used today as a generic label for people who come from this area and its surroundings. It includes a heterogenous collection of people from different castes and tribes but the Marwari dialect they speak sets them apart at this very general level of classification. Within the Marwaris the Jains are the undisputed mercantile elite. Jainism is an ancient religion in India that has its origins in anti-Brahman protest. Jains denied the sanctity of the Vedas. They questioned the ideology that Brahmans were the indispensable intermediaries with the gods. They protested the hereditary
power of the Brahmans and their costly animal sacrifices. In its place, they developed a doctrine of non-violence and vegetarianism of an extraordinary and uncompromising kind. ‘Jains,’ as Carrithers and Humphrey note (1991:1), ‘are to avoid harm to even the smallest living thing, to purify themselves strenuously through self-mortification, and to conduct lives of strict moral rectitude.’ Jains are also known for their mobility: every major city and every market town of any importance in India has a resident Jain community. These communities, and the broader Marwari grouping of which they are part, often control most of the mercantile activity in any given market town. One estimate has it that Marwaris control over 60% of the assets of Indian industry (quoted in Timberg, 1978:11). Such an estimate is mere guesswork but, as an order of magnitude, it is one that few people familiar with the workings of the Indian economy would bother to question.

Marwari merchant ‘migration’ has been the subject of a study by Timberg (1978) who highlights the importance of ‘communal credit networks’ (1978:6). ‘The genius of a trading community,’ he argues (1978:29), ‘lies in its manipulation of credit.’ He notes that the origin of much of the present day ‘migration’ has its origins in the 1870s when the growth of the Bombay and Calcutta ports caused a decline in traditional trade routes through Rajputana and Cutch. I have placed the word ‘migration’ in quotes because, as Timberg himself notes (1978:91), the notion as it is generally understood does not apply to the Marwari case. Place of birth tables, he notes (1978:87), would show most Marwaris as ‘born in Rajasthan’ because wives either stayed at home or returned to their home towns in Rajasthan to give birth. What is at stake here, I assert, is an expansion of territoriality rather than migration. This is best illustrated by considering a specific example such as the patrilineage shown in Figure V.1.

The leader of this clan, PP Jain, was born in Lohawat, Rajasthan six generations ago. When he was around five years old his mundan was performed half here and half in the village of Erlaya a short distance away in Bikaner District. During this ritual, which is performed throughout India by many different castes, a boy’s head is shaved and the hair offered to the family gods. This ritual is, therefore, crucially important for establishing a sense of connectedness with home...
and relatives. PP lived in Lohawat after he was married and had seven sons and an unrecorded number of daughters. Four of the sons have produced lineages and their descendants are spread out along the track shown in Map V.1.

The sixth and seventh generation descendants of the third son of PP Jain have settled in Kondagaon. The place of birth, work, and mundan for this lineage reveals a pattern that is reproduced in the other branches of the family. The third generation moved to south India after they were born and had performed their mundan ritual. Their wives, it seems, stayed behind in Rajasthan where they gave birth to the next generation of sons who lived and worked with their fathers. The fourth generation copied their father’s practice but the fifth generation brought their wives with them and moved further north to work. The sixth and seventh generation have established a new pattern and their only link with Rajasthan is the mundan ritual. The expansion of territoriality, then, has weakened the physical links with the homeland but not the ideological links. Indeed, territoriality as a form of reciprocally
recognised consanguineal consciousness has probably strengthened as the descendants have moved to keep on the edge of India’s commercial frontier. Affinal and contiguous relations, as we shall see below, are also extremely important for the reproduction of territoriality as a value.

The following matrix, which summarises the above argument, shows the changing quality of territoriality very clearly.

<table>
<thead>
<tr>
<th>Generation</th>
<th>Mundan at home in Rajasthan?</th>
<th>Born at home in Rajasthan?</th>
<th>Lived at home in Rajasthan?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>2</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>3</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>4</td>
<td>+</td>
<td>+</td>
<td>•</td>
</tr>
<tr>
<td>5</td>
<td>+</td>
<td>+</td>
<td>•</td>
</tr>
</tbody>
</table>

MAP V.1 Territorial expansion of a Jain lineage
Generation Mundan at home in Rajasthan?

<table>
<thead>
<tr>
<th>Generation</th>
<th>Born at home in Rajasthan?</th>
<th>Lived at home in Rajasthan?</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>+</td>
<td>●</td>
</tr>
<tr>
<td>7</td>
<td>+</td>
<td>●</td>
</tr>
</tbody>
</table>

The physical consequences of this changing territoriality can be seen in Lohawat and surrounding market centres such as Tiwari. Tiwari was a major trading centre as is apparent from the old market town area that is now falling into ruin. It is an eerie experience to wander through the deserted narrow streets between the tumble-down stone buildings of an old market town in a place like India where such places are typically teeming with people. The grandeur of old Tiwari is heightened by the contrast with modern day Tiwari. The green revolution has given the town a new lease of life, but one premised on production rather than exchange. No attempt has been made to restore the beautiful old stone shops in the market area. Instead, tin shacks and sheds have sprung up along the main road in classic frontier-town style.

In Lohawat, a residential village for Jain families, a history of change can be read from the buildings here too. The village consists of row upon row of beautiful three- and four-story stone mansions. These are crowded together along winding streets like the houses in an overpopulated city which makes the contrasts with the open desert land upon which the village is built very dramatic. While most of the houses are still inhabitable and more or less maintained, the place is for the most part deserted. Like Tiwari, this village too has a new section. But here new residential mansions are being built which look just like the old. These houses belong to new branches of the family who assert their prestige by establishing a physical presence in the village by means of a mansion that is rarely lived in. This is not potlatch in the sense that property is not destroyed but it is of that genre of prestige-seeking activity. It is certainly not a profit making investment.

The ascetic lifestyle of the Jains gives them few means to assert their identity in the battle of prestige both among themselves and with the rest of the world. Their religious beliefs and practices make them the purest of the pure but for
those who do not share these values such beliefs bring negative comment. This is especially so in Rajasthan where meat eating is prestigious. Here the Jains are called misers (kanjus), fly-suckers (makkijus) and rice-lentil eaters (dhal battis) because of their ‘poverty stricken’ diet and concern for small living things in their food (Cottam Ellis, 1991:91). Lavish spending on housing and temples is one of the few means they have for disposing of their revenue. They not only build mansions in their places of origin, they also build them in their places of residence. Kondagaon in Bastar District has experienced something of a building boom over the past decade or so as the Marwaris, and the Marwari Jains in particular, have begun to establish their domestic presence there. Each new Jain mansion that is built is opened with great ceremony. Every notable in town is invited along with hundreds of other guests (including anthropologists) who are dined at great expense, but not wined. The new house is opened and guests are free to wander through in a way that will henceforth be impossible for non-family members.

Marwari territoriality, then, has its physical markers of origin and destination. It also has it own invisible boundaries which are which made very clear to those ousted from the in-group. The case shown in Figure V.2 illustrates what I mean. SL, the son of IC and the father of B and LM, died when his two sons were only young. They accompanied their mother who went to live in her father’s house. The effect of this was to break the link that should have been maintained between B and LM and their father’s father. As they did not live with him they had no opportunity to ‘serve’ (sewa) under him and he did not recognise them as descendants. In other words, the relations of contiguity did not allow a relationship of consanguinity to be established through reciprocal recognition. IC was very wealthy but with his only son dead he had the problem of what to do with his wealth. He made of huge gift (dan) of some Rs 40,000 towards the construction of a temple and gave the rest to his brother’s son whom he adopted as his own. The father of B’s wife got very upset about this because he expected to benefit from the marriage of his daughter to a Jain. However, the fact that he was from the Rajput caste was part of the problem: B not only failed to serve his father’s father, he also married out of the Jain community.
B's actions, then, led to his out-casting. LM, his younger brother, asserts his Jain identity very strongly. He proudly showed me a map of his lineage but it seems that his claims are not reciprocated. The protector and preserver of the official lineage knowledge is a trusted member of a hereditary caste of genealogists who spends months each year travelling on trains throughout India to maintain his records. He only enters the names of people who it is generally agreed should be entered. He is the boundary rider, the faithful servant of the living elite whose job it is to maintain the goodness of the links between the dead and the unborn. When I attempted to interview him in Tiwari in 1986 he gave me the classic run around for which members of his caste are famous in anthropological circles (Shal, 1959). He never kept appointments and when I eventually did get to talk to him he would not let me see his genealogical records and would tell me nothing about the people whose lineages he kept. Significantly, the only exception was the story of LM Jain and his brother which I have repeated here.
Territoriality of this kind exists for the subalterns too but the latter is not a simple inversion of the former. But nor does the relationship between the elite and the subalterns form a continuum either. Instead we find a strata of discrete groups. As we descend the steps the spread of a group’s territoriality tends to decline and so too does its money wealth as expressed both it mercantile wealth and domestic goods such as housing. We also find that different groups tend to be associated with different commodities. In what follows I illustrate this argument concretely with evidence on the marketing of ‘downwardly mobile’ manufactured commodities in central India, an argument that was anticipated in my discussion of the marketing of ‘upwardly mobile’ agricultural commodities in the last chapter. The tinge of goodness that clings to agricultural products grown by households using the supreme good is, of course, totally absent from the products that emerge from the factory floor; but, as we shall see, merchants get caught up in the politics of prestige albeit of a somewhat different kind.

THE MARKETING OF DOWNWARDLY MOBILE COMMODITIES IN BASTAR

The principal imports into Bastar are Indian-made manufactured products. These ‘downwardly mobile commodities’, as Skinner\(^2\) (1964) calls them, can be divided into three broad categories: ornaments, clothing and groceries. The category ‘ornaments’ includes jewellery made from gold, silver, bronze, brass and glass as well as other ‘fancy goods’ (manihari) such as combs, mirrors, pins, red powder, and snow cream; ‘clothing’ includes saris, dhotis, cloth, blankets, blouses, shirts, under shorts and handloom cloth; while ‘groceries’ (kirana) includes such things as tea, biscuits, boiled sweets, incense, matches, and batteries.

These divisions and subdivisions of the imported commodities are the basis of a differentiation amongst retailer-merchants. There is a hierarchy of commodities that correlates roughly with a hierarchy among retailer-merchants: rich merchants control the trade in clothing, gold and silver while poor merchants specialise in the low-value, low prestige commodities. This division is reinforced by caste and kinship
factors. Rich merchants tend to be long distance immigrants from Rajasthan or the Punjab consisting of a limited number of castes who rigidly adhere to caste rules about kinship and marriage. Poor merchants, on the other hand, tend to be short-distance immigrants or locals from a large number of castes, many of whom intermarry with Tribals. Within the categories of rich and poor we also find further differentiation between rich and very rich, and poor and very poor.

Cutting across this distinction between rich and poor retailer-merchants is a distinction between wholesaler-merchants and retailer-merchants. Wholesalers are, in general, much better off financially than the retailers. A wholesaler is required to maintain large stocks and very few traders have the necessary capital to even contemplate this form of trading. Wholesalers, therefore, form an elite within each commodity classification. Many wholesalers also engage in retail trade.

The aim of this chapter is to describe this process of differentiation amongst the merchants. It examines how merchant capital is acquired, reproduced, and accumulated, and analyses the role of caste and kinship in this process. It also examines the incentives and barriers to social mobility.

**THE MARKETING OF CLOTH**

The cloth trader is perhaps the hardest working of all merchants. He carries his stock to the market in heavy bundles of 75 kg or more. These bundles contain neatly folded stock, which are wrapped up in plastic and hessian and bound tightly by heavy rope. The trader’s day starts early in the morning around 6 or 7 am. He unwraps his pack and replenishes it with new stock if the previous day’s sales were heavy. If he is a small trader he then straps his 75 kg load onto the back of his bicycle and begins the ride to the market of that day, a distance that can be up to 18 miles. If it is Tuesday the big merchants in Kondagaon place their load in a jeep trailer and set off at 8 am on the 40 mile drive to the Makdi market. The jeeps are always crammed with people and baggage. A jeep owner carries his regular customers plus extras who have their own reasons for attending the market of the day. Upon arrival at the market—usually around 10 am—the long process of preparing their stall begins. All cloth merchants sit under
thatched roofed shelters. They begin by covering the ground with a tarpaulin which is then covered by mats for their customers to sit on. Ropes are then tied in rows 18 inches apart around the posts at the back and sides of the shelter. The slow process of partially unfolding saris and other cloth and draping them neatly over the ropes then begins. By 12.30 or 1 pm this job is finished, and the crowds are beginning to gather. The cloth trader is one of the busiest people in the market. He is usually hidden behind the crowds that inspect his wares. He conducts business with as many as four people at once. While he is collecting money from one person, he will grab yet another bundle of saris to throw at a vacillating buyer, ask a third, a credit customer, her father's name, caste and village, and argue with the fourth over the price of an item. By 3.30 pm most of the customers have gone, and the reverse process begins. Much work is involved in the packing process, because in the act of selling, as anyone who has dealt with an Indian cloth merchant knows, they unfold countless items with great flourish in order to show off their wares to prospective customers. At around 5.30 pm, other merchants who travel by the same jeep as the cloth merchant and who, up until now, have been playing cards, may give some assistance to the cloth merchant if it seems that their trip home will be delayed longer than usual. At 6 pm the long trip home starts. A 15 minute stop is always made to conduct puja at the Amrawati temple. Two or three traders will make their way to the temple armed with coconuts, and return later to share the white meat of the coconuts with their fellow travellers. Jeeps usually arrive in Kondagaon by 7 or 8 pm, which is also the time the cyclists arrive. Many traders keep up this exhausting routine seven days per week. Sunday and Wednesday provide some respite from the travelling because markets are held at Kondagaon, the regional centre where the rich merchants live, on these days.

The cloth traders are of three basic types. One group sells unstitched cloth such as saris, dhotis, scarves, plain cloth, and blankets; a second group sells stitched cloth such as blouses, petticoats, under shorts, and shirts; while the third group sells hand-loom cloth. The first two groups have market stalls which are stocked with material with a 1983 value anywhere from Rs 3000 to over Rs 30,000, the real value of which is best
grasped by considering each rupee as the equivalent of one kg of paddy. The sellers of stitched cloth invariably belong to a Tailor (Darzi) caste of Marwaris and do the stitching themselves at home at night after the markets. The sales of these first two groups account for over 99% of all cloth sales. Their intrusion into the district has been at the expense of the indigenous handloom cloth sellers. These people wander around the market with two or three lengths of cloth to sell. Because of the competition, handloom-cloth traders are forced to sell at a rate which returns them a pittance for the work involved in weaving the cloth. Needless to say, the number of people engaged in this activity has declined quite dramatically over the years. The handloom cloth is reckoned to be of inferior quality by the consumers and only the very poor, and those regarded as ‘jungly’, buy it.

The purchase of cloth is seasonal, with most purchases being made after the harvest in November-January. However, this seasonal purchasing pattern is off-set to the extent that merchants are prepared to give credit during the rainy season. In the case of the big merchants, credit sales are a significant portion of total sales, with some merchants having upwards of Rs 50,000 outstanding by the end of the wet season.

The large number of cloth merchants at each market makes for a competitive system which brings about a rough equalisation of rates of gross profit. Buyers are very knowledgeable. Some go to as many as five markets each week all year around. They can tell good quality cloth from poor and know what a reasonable price is. Before buying, they will carefully examine the cloth for flaws and check the accuracy of the merchant’s measuring rod by counting out the cloth’s length in ‘hands’, which is the distance from elbow to the fingertip.

The actual price is set after going through a ritual bargaining procedure. For example, a woman, having decided on the sari she desires, will ask the merchant for his price. He will say Rs 33 (1983 prices), if it is an average quality sari. The buyer will then bid Rs 25 and this price is usually agreed by the seller because the cost price of average quality saris is Rs 23, giving a gross mark-up on cost of around 10%, the rate cloth sellers expect. They will not take less than this and will, of course, take more if they ever find an inexperienced buyer. Such
people do exist, of course, but they are a minority. By and large, buyers are not stupid. Gross profit rates, then, vary between 10–40%. When the item sold is small and cheap, the profit rate tends to the upper extreme; conversely, for expensive items the profit rate tends to the lower extreme. For example, one transaction I observed in 1982 involved a child’s shirt. The cost price of this to the seller was Rs 1.75, and he sold it for Rs 2.50, giving the trader a profit of Rs 0.75 or 43%.

For small traders it is the absolute amount of profit rather than the profit rate that is important. For them, net takings must be sufficient to cover daily needs, and if those cannot be met, then the trader will go out of business. Some are forced to do this when they find themselves having to spend gross takings on food. Their working capital gets smaller and smaller as a consequence. Others simply give up and take up daily wage labouring when this becomes a more profitable investment of labour time. In the cloth industry the handloom sellers are the only people in this category. An elderly weaver I met in the weavers’ quarter at Alor village in 1982, for example, labours 6 to 7 hours to produce 9 hands of cloth, which he sold in the market for Rs 14. The cotton used in making this cloth had to be purchased in the market for Rs 12, giving him a profit of Rs 2 or 14%. Looked at from another perspective this ‘profit’ was equivalent to a daily wage of Rs 2.00. This was well below the Rs 8.25 daily labourers could get from the Forest Department or the Public Works Department at that time. It is not surprising, then, that most weavers have abandoned the craft. The effect of competition, then, has been to drive the handloom sellers out of business and to effect a rough equalisation of the rate of gross profit and prices amongst machine cloth sellers.

Wholesale cloth merchants have a mark-up of between 3% to 5%. This is less than the mark-up of 10% made by retailers, but it is consistent with a uniform rate of profit. In order to grasp this point, a clear distinction must be made between the rate of mark-up, the rate of profits, and the rate of stock turnover. The mark-up rate is the percentage mark-up on costs, the profit rate is the ratio of profit to capital stock, and the rate of stock turnover is the number of times trading capital has to be replaced each year. A retailer has a relatively high mark-up compared to a wholesaler, but the wholesaler has a high rate of
stock turnover, and this may bring about an equalisation of profit rates. For example, a retailer with a mark-up of 10% and a rate of stock turnover of 3 has a rate of profit of 30%, while the wholesaler who has a mark-up of 5% but a stock turnover rate of 6 also has a profit rate of 30%. This does not mean that absolute levels of profit are equal of course. These provide a quantitative measure of the stratification among merchants and are directly related to the absolute levels of trading capital. Thus the bigger the absolute size of trading capital the bigger the absolute level of profit.

According to the economics textbooks, a competitive market of this type should be characterised by the existence of many atomistic sellers of the same size. But what we have in Bastar is a situation where merchants are stratified. In order to explain this divergence between economic theory and social practice, it is necessary now to examine the social relations involved in the production and reproduction of merchant capital in Bastar.

Among the cloth traders, the trading capital is controlled by the Marwaris, the Marwari-speaking migrants from Rajasthan. Within this group Jains dominate. They control the wholesale distribution of cloth and many of the retail outlets. They are among the most prosperous people in the district. Another important caste within the Marwaris are the Tailors. They control the trade in stitched cloth and own many of the tailoring shops in Kondagaon. It is common to find a family where one brother works in Kondagaon sewing, while another brother visits the daily markets selling stitched cloth. The remaining Marwari cloth merchants are Brahmans and Sonis (Goldsmiths) who do not follow their traditional caste occupation.

Most of the Marwari cloth merchants carry a stock of upward of Rs 30,000 (1983 prices) and are easily distinguished from the non-Marwari cloth merchants, who carry a stock of not more than Rs 5,000. These small merchants are an assorted, unrelated group, from several castes and places. Here, then, is the beginnings of an answer to the question posed above. The economic theory—be it Marxist or neoclassical—does not consider territoriality and it is this that sets up barriers to entry of outsiders into the cloth trade.
An examination of some of the problems faced by non-Marwari traders can serve to illustrate these points.

Take the case of JL Sindhi, who, in 1982, had been living in Kondagaon for one year. People of the Sindhi caste are renowned for their trading prowess, but there are very few members of this caste living in Kondagaon. JL’s father and three brothers all live in Umerakote, Orissa State, some 70 miles away. JL migrated to Kondagaon with his wife and young family, and set up business as a tailor. He earned very little from that, so he decided to go into business selling biscuits at the Kondagaon bus stand. This, too, yielded him little income, but he did manage to accumulate Rs 350. He invested this in trading stock for a cloth business and was helped by a Jain wholesaler who advanced him an additional Rs 350 stock on credit. He asked for more but was refused. He complained to me that the Jains only give large amounts of trade credit to other Marwaris. With his Rs 700, he was able to buy 32 saris to take on his market round. He goes to Kondagaon on Sunday, Sampur on Monday (transport cost Rs 6), Kanera on Tuesday (transport cost Rs 6), Kondagaon on Wednesday, Banyagaon on Thursday (Rs 1.50), Dahikonga on Friday (Rs 1.50), and Lanjoda on Saturday (Rs 2.00). These markets are the closest set of markets to Kondagaon, and his weekly transport costs amount to Rs 17. This works out at Rs 2.50 per day on average, which is the profit from the sale of one sari. Thus, the profit of the first sari he sells each day goes on transport. The profit on the next three pays for basic food requirements. It is only after he sells his fourth or fifth sari that profit can begin to accumulate. Rarely does he sell more than five saris though. His stock looks pathetic along side the big merchants who carry upward of 1000 saris plus other items. He finds it very difficult to attract customers; they prefer to shop at the big stalls where there is a great variety to choose from and where, also, credit purchases can be made.

JL Sindhi is one of the poorest cloth traders, but his predicament tells us much—in mirror image, as it were—about the factors underlying the success of the rich Marwari traders. For a Marwari trader, the vital original capital is usually inherited rather than earned. Those who don’t have rich fathers can obtain their capital, or at least a significant portion of it, on credit from a fellow Marwari. Thus, they can start
business with a capital of around Rs 15–20,000 or more. With their larger stock, they can attract more customers and hence increase sales and the absolute level of profit. A higher absolute level of profit means more money available for transport, and hence a chance to visit the profitable Orissa-side markets, which are at some distance form Kondagaon. A higher absolute level of profit also means that a greater surplus over necessary consumption is available for reinvestment in additional trading capital.

Consider now the case of RJ Bengali, a non-Marwari merchant whose wealth lies between that of Sindhi and the Marwaris. RJ Bengali has a capital of Rs 5000 (1983 prices). His family were resettled in Bastar under the Bengali refugee scheme. He goes to Kondagaon market on Sunday and Wednesday, Mulmula on Thursday, Dahikonga on Friday and Lanjoda on Saturday. He rides a hired cycle to the latter three markets carrying his 75 kg load on the back of the cycle. The Thursday market at Mulmula involves a round trip of 26 miles, the Friday market 20 miles, and the Saturday market 22 miles. This trip is done in the company of small merchants. One such merchant is ST Bengali, who has a slightly smaller capital of Rs 3000. ST works seven days per week, including one day at Chhinari. He goes to this market by jeep, for which he pays Rs 8. Another example of the traders in this class is CR Dewangan, a Bastarian Hindu whose father owns a small farm in Kondagaon. He has a capital of Rs 5000, which was advanced by his father. He cycles to three markets—Sampur, Mulmula and Dahikonga—and also attends the Sunday Kondagaon market. He sends his stock to the Mulmula and Sampur markets on bullock cart, which costs him Rs 5.00. On the three days he has off from trading, he works on his father’s farm.

These examples are fairly typical cases of the non-Marwari merchants. Their economic condition is secure, unlike the case of JL Sindhi described above. However, the members of this group have not as yet been able to accumulate enough capital to break into the ‘big merchant’ class monopolised by the Marwaris. Among other things, they cannot afford to advance credit to their customers, and this places a limit on the absolute level sales and hence disposable surplus.
The Jains are the largest sub-group of Marwaris in Kondagaon. The community consists of approximately sixty households. These people come from one small area of the Jodhpur District in Rajasthan and are all related. An illustration of the family structure of ten of the most prosperous households is given in Figure V.3.

These ten households belong to two clans (gottra), Surana and Sancheti. These households have kinship links with other households, but these are not shown in order to avoid undue complication. Most of the senior men were born in either Kettu or Jethaniya in Jodhpur District and came to Bastar in 1950. All of their children were born in Bastar, with the exception of G, son of M, who stayed in Rajasthan. A notable feature of the Jains of Kondagaon is the unusually large number of children they have. The four sons of P, for example, had 13, 5, 6 and 8 children respectively which included 9, 4, 3 and 2 sons respectively. From the point of view of a rapidly expanding family business, population growth of this kind assists in the creation of wealth rather than the opposite. Most Jains run a cloth store in Kondagaon, as well as maintaining a number of market rounds. These businesses require trusted employees to manage them and sons are in great demand for this purpose. If sons are not available, commission agents are contracted to run stalls on a 4% commission. Such arrangements are not very common, however.
Once established, their ever-growing commercial capital passes from father to son without diminution. All property is divided among sons. Take P’s sons, for example. They were originally a joint family, but with the coming of age of their sons the inevitable split occurred creating four new joint families in their place. P’s eldest son, S, moved from Rajasthan to the Durg District, where he ran a grocery business. When he died, his 9 sons and unmarried daughters moved to Kondagaon to share in the division of the property and to start a cloth business. Three brothers do the market rounds, one is in transport, and the remainder were still at school when the fieldwork was done in 1983. N, the second son of P, and one of the first to arrive in Kondagaon, has a cloth shop. His two eldest sons help out here at night and do the market rounds during the week. The two youngest sons are still at school. R, P’s fourth son, has one adult son. He helps in the running of R’s large and successful cloth store. When his next son leaves school, he will be set up as a market trader.

Jain market traders are the elite among the cloth traders. In 1982 fathers typically set sons up with a trading capital in excess of Rs 60,000 rupees. They also able to advance credit to customers and as this credit given is often in excess of Rs 60,000 at any one time, the effective working capital of a trader is over Rs 100,000 (10 tonnes of rice in real terms). They travel to markets in a jeep. The jeeps pull trailers that carry the stock. Some merchants store a supply of stock at the more distant markets and use it from week to week to avoid the problem of transportation.

Figure V.3 illustrates another feature of Jain merchant capitalism, and that is diversification. Not only does this group of families dominate the cloth trade from wholesaling through retail store ownership to market trading, they also are engaged in grain trading, forest contracting, medical store ownership, jewellery, and transport. It should be noted that all these activities, with the exception of the latter, involve profit making by buying cheap and selling dear, ie., merchant capitalism rather than productive capitalism. Some Marwaris, it is true, have purchased land and introduced capitalist farming techniques. Nevertheless, it is merchant capitalism in which they specialise.
The Tailor caste are the smallest sub-group of Marwaris, but second in importance to the Jains in the cloth trade. There were 14 households in 1982 and these belonged to six gottra: Dehiya (6 households), Dabbi (2), Pawar (2), Solenki (1) and Chawda (1). The householders, as has already been mentioned above, specialise in the trade of stitched cloth as well as running tailoring shops in Kondagaon. The stitched cloth they sell is all produced by themselves. Most of the householders arrived in Kondagaon after the 1960s. This was later than most Jains and it is reflected in the size of their trading capital. While they are obviously better off than the non-Marwaris who carry a stock of around Rs 5000, they do not compare with the Jain merchants with their capital of Rs 100,000. The correlation between date of arrival in Kondagaon and the size of capital accumulated applies not only between castes but between households of the same caste, as will be seen below, when the case of the Sonis is examined.

The type of profit the Tailors receive must be sharply distinguished from the type of profit the Jains receive. The Tailors buy cloth and sell stitched cloth, adding value to the product through the contribution of their own labour. It is, therefore, of a different order to the purely merchant profit received by Jains. Tailors do not hire labour for this purpose: it is all done by male members of the household. The Tailors, then, are a group of producer-sellers rather than pure merchants (buyer-sellers).

A feature of all Marwari economic activity, and this is a fact that distinguishes them from other regional groups, is the complete lack of the direct involvement of women in selling. The domain of women is the kitchen, and they are kept there under a form of purdah system, not unlike the one that applies to Muslim women. When they venture out of the house, they cover their heads and faces with their saris. Women play a vital indirect role in their husbands’ businesses, of course. Indeed, the businesses would collapse without their domestic labour input. They raise the children, clean the house and cook the meals (with the aid of servants in the case of the wealthy). They prepare the tiffin of food traders take with them on their mid-day meal and are always on call to prepare tea for customers who call at the shops in Kondagaon.
The general arguments about the importance of *territoriality* for the understanding of cloth merchants applies also to jewellery merchants. The wealthy jewellers all belong to the same social group—Marwari—and they are internally differentiated. Relatively poor merchants trade in brass and nickel jewellery but, if they are from Marwar, the possibility of moving into the more profitable, and more prestigious, gold and silver trade is open to them. The merchants who sell gold and silver are the ‘kings’ of the market. Their stalls are invariably located in the centre of the market, and they serve as a gathering place for local village leaders (Gell, 1982). They squat down next to the jeweller and gossip for hours on end; the jeweller, for his part, orders them cups of tea and supplies them with *bedis* to smoke in between negotiating with customers who spend relatively large amounts of money replacing worn out jewellery and buying new pieces.

The jeweller’s wares are displayed on a deep red cloth, which serves to enhance the quality of his sparkling, freshly-cleaned silver. The large items, such as solid silver necklaces and belts—which weigh in excess of 400 grams and valued at over Rs 1000—are draped over a vertical display panel at the back; smaller items, such as ankle bracelets, armlets, old silver rupee coin necklaces, and hairclips, are displayed on a small box in front of the panel, while the small relatively cheap gold and silver nose rings and earrings are scattered on the ground in front. The big jewellers also carry a small stock of imitation gold and silver trinkets made from brass and nickel, but trade in these is the specialist preserve of a group of poorer traders. They sell cheap imitations of all items the silver merchant stocks, from large bulky ‘nickel’ necklaces to small brass earrings. These items look like their gold and silver counterparts and close inspection is needed to see that they are imitations. They even display their wares on pieces of deep red cloth just like silver merchants. However, whereas silver merchants are few in number and located in the centre of the market, imitation jewellers are numerous and very much on the periphery. They squat in the sun and dust along the sides of the market’s throughways and are barely noticed, except by the occasional customer, who stops briefly to make a
purchase. Most of the customers at the jewellers are women and young girls. They come in twos and threes to admire the jewellery, and few walk away without having purchased something.

While the bargain for cheap trinkets is quickly struck, transactions in the medium and higher-priced commodities involve prolonged negotiations. A woman wishing to trade her old ankle bracelets for new ones, for example, must first strike a bargain on the rate for the old bracelets. Ankle bracelets are moulded sheets of silver and the jeweller first of all rips them open with pliers to clean out the mud which gets trapped inside. The decision to buy new bracelets is now irreversible, because they can only be cleaned by destroying them. If the customer is not satisfied with the rate offered, she will try another jeweller. Having negotiated the rate for the old silver, the customer selects her new bracelets and begins negotiations for the price of them. Often both old and new rates are struck simultaneously by placing the old bracelets on one side of the scales, the new on the other side, and negotiating the difference to be paid. Transactions involving the big expensive ornaments are family affairs, and the bargaining is done by the woman’s husband or father. The price is usually paid partly in cash and partly on credit. Customers are unable to tell if a particular necklace has 70% silver content or 97% and take the jeweller’s word that it is the latter. This requires trust and jewellers work hard to acquire a reputation for honesty. This takes time, and the successful jewellers are ones who have been around for a long time. If a new jeweller were to set up business in an old established market he would find it very difficult to get customers for his high priced ornaments. While the jewellers no doubt do manage to cheat some of their customers by debasing the silver and by short changing on the weight/price calculation, the need to develop a reputation for honesty acts as a check on this. Their aim is to secure a good long term return on capital from a loyal clientele rather than a large short term, but non-reproducible, profit from extortion. Avarice, then, has its own morality.

In days gone by gold, rather than silver, was the principal item traded by the jewellers. The substitution of gold by silver is a direct result of the international price movements in these metals which I consider in Chapter VIII below.
Jewellers are differentiated by the type of product sold and caste. Silver merchants are either Jains or Sonis (Goldsmiths) from Rajasthan, with the former the most successful traders. The relationship between these two groups is very similar to the one already noted between Jain cloth merchants and the Tailor caste. The Jains are pure merchants who earn profits solely from buying and selling while the Sonis are producer-traders like the Tailors who work up their finished product from raw material. Within the Soni group there is a further differentiation between rich silver traders and poor imitation jewellery traders.

There were seven big firms of silver traders in Kondagaon in 1982, four of these are Jains and three are Sonis by caste. The markets they visit are shown in Map V.2.

Two points are to be noticed here. Firstly the Jains have captured the territory to the north, south and west of Kondagaon while the Sonis moved into the territory to the east of Kondagaon. The Jains arrived before the Sonis and took over the supply of gold and silver to these established markets. The Soni moved into the then small Orissa-side markets when they arrived and have prospered as these markets flourished with the establishment of the DNK refugee resettlement project. Secondly, traders capture a cluster of neighbouring markets. This means that they can see their customers more than once a week at different places and hence become very well known in a particular area. For example villagers near Erla visit Hirapur, Amrawati and Chhinari markets and see the same silver traders at every market.

The biggest gold and silver trader is Jasraj and Company, a Marwari Jain partnership of cousins and brothers. They sell gold to the rich Hindus of Kondagaon and silver to the poor of the surrounding countryside. They have a reputation for being scrupulously honest and many of their customers have sung their praises to me. My dealings with this firm have borne this out. I purchased some large intricately made earrings and had they not volunteered the information that they were only 70% silver they could have easily extracted another 30% in Rupees from me. I offer this anecdote not as naive apology for mercantile capitalism but to counter the naive assumption that all mercantile capitalism in ‘tribal’ areas is plunder. The fact is that outright plunder is not profitable in the long run. Money
making of a mercantile kind, then, must have its own morality if it is to survive. This morality is closely tied up with the prestige of the family and the need to maintain appearances. This may involve contradictions of course but this dialectic is not a one-sided story of plunder.

Jasraj is also a government licensed moneylender. Here again they have a reputation for fair dealing. They charge the Government recommended rate of Rs 5 per Rs 100 borrowed per month, i.e. 60% per annum. A piece of jewellery double the value of the loan has to be left as security. These rates are to be contrasted with those offered by the illegal dealers. They charge anything up to 300% and are intensely disliked by all. They have a reputation for avarice and cheating.

Like all big trading firms Jasraj and Company have diversified their activities. They have invested their money in 20 acres of farming land and also work as government contractors. This side of the business is run by two younger members of the family.
Jasraj and Company are obviously extremely wealthy and do not try to hide it. To the contrary, they have recently built the biggest and most luxurious mansion in Kondagaon. Just before the house was opened *puja* was performed and over 1000 people from Kondagaon were served food at the house in the celebrations that followed. This celebration was an exercise in prestige building and all the prominent families of Kondagaon engage in activities of this kind. (The celebration of a wedding is another favourite time to display one’s wealth.)

While this family has a reputation for honesty they, and the Marwaris generally, also have a reputation for being the most money-minded people in Kondagaon. As a Brahman informant reported: ‘Money making is their sole object in life. All their dealings with people are mediated by money. They will not lend money to friends free of interest and are always ready to sell you something. They have no interest in politics or in any social work outside their families.’

A reputation for honesty is also enjoyed by the two other Marwari Jains jewellery merchants but the fourth firm, an Uttar Pradesh Jain family, do not have such a reputation. When I first arrived in Bastar on a preliminary visit in 1981 a group of Kondagaon women were holding a hunger strike in protest against the moneylending activities of this family. The women had borrowed money and left their gold and silver ornaments as security. When they repaid what they considered to be the agreed interest plus capital their jewellery wasn’t returned. They complained to the Collector (as the senior Government official in Bastar is called) who told them that as the contracts they entered into were illegal there was no way that they could be legally enforced. Some months later a brave young sub-divisional officer decided to take action against the firm. He had the family head arrested and put on police trial. However, the young officer is now himself on trial for defamation of character as it seems the police officer who arrested the family head committed a minor technical legal error in the process. I have been unable to collect the official version of this story but the truth-value of a story is often less important than its rumour-value. This rumoured version of events does not seem to have adversely affected their business but it is interesting to note that the markets this family visits are the ones at greatest distance from Kondagaon. It is possible, then, that news of
their activities in Kondagaon has not reached these distant markets.

The three Soni traders shown in Map V.2 who work the eastern area are rich in comparison with the other Sonis who trade in imitation gold and silver (i.e. brass and nickel). It is useful to examine these cases so that further light may be thrown on the processes of merchant capital accumulation and the social mobility of merchants.

RC Soni is the second of five brothers. He was born in Dewartoo, Jodhpur District, Rajasthan and migrated to Kondagaon in 1962. He worked as an assistant for other merchants initially and eventually accumulated sufficient capital to begin a market round on the then small Orissa-side markets. He began initially by selling brass and nickel and eventually moved into silver as his business expanded. His younger brother PR arrived in 1972 to assist him in his business. They opened up a shop on Kondagaon and PR ran this as well as making imitation jewellery. He married the daughter of B Soni, RC’s competitor on the Orissa-side market. As their business continued to grow, they invested in a motor bike to get to the markets as well as additional stock for the shop in Kondagaon. In addition to gold and silver jewellery, they now have a large stock of metal pots and pans. In 1982, RC’s third and youngest brother arrived from Jodhpur. He assists in the shop and is able to make silver and imitation jewellery. Like all Marwaris, RC Soni maintains close ties with his home village where his family owns farm land and where his mother and brother still live. He sends money back and they have used it to buy more land and to build a new house. To mark his status he has also funded the building of a shelter for travellers on the outskirts of the village. This includes a small tube well from which they can draw drinking water.

The history of B Soni is similar. He has a joint family business with his son, The son only attends one market (Makdi) and spends the rest of the time in Kondagaon making jewellery, while B attends four markets.

The case of G Soni provides an interesting contrast. He is the youngest of three brothers who have split. G arrived in Kondagaon in 1972. By 1982 he was a successful silver merchant with a large house and a number of cows. His next eldest brother, M, is a cloth merchant. M likewise is very
successful, having been in Kondagaon for 16 years. He has invested his money in a motor bike, and a bullock cart which takes his stock from market to market. He employs two servants, one to drive the bullock cart and one to help him with his cloth business. The eldest brother, J, has only been in Kondagaon for three years and is a struggling imitation jeweller producer-seller. J’s 15 year-old son is also in the business and they share the work of jewellery making and trading. J finds that the competition from the other imitation jewellers is too fierce these days and he is barely able to make ends meet. He wants to move into cloth trading and is negotiating with his brothers to advance him the necessary capital.

What these cases illustrate is that the longer one has been in Kondagaon the more capital one is likely to have accumulated. The first traders to arrive have been able to appropriate for themselves some territory and have prospered as the market grew in importance. The markets for jewellery are now spoken for and latecomers have little hope of breaking into the trade. The market for brass and nickel jewellery can absorb traders. Only a capital of a few hundred rupees is needed to set up business. Sales are on a cash basis and goodwill is not necessary to attract customers. The barriers to entry to the imitation jewellery trade, unlike the gold and silver trade, are therefore low. However, the trade is highly competitive and the absolute level of profit one can expect is very low.

Apart from Marwari latecomers such as J, discussed above, this group contains a number of poor people of the Soni caste from neighbouring states. These people have no social interaction with the Marwari Sonis because the Marwaris look down upon them as ‘primitive tribals’.

There is an intermediate group between the successful silver merchants and the poor brass and nickel merchants. A typical representative of this group is B Soni, one of the few Marwari Sonis of a high ranking sub-caste. He arrived in Kondagaon 1974 as a teacher with no money. He started selling imitation jewellery and now specialises in selling gold plated earrings. These are imported from outside Bastar and are marketed in a little plastic package which makes them look distinctive. He buys these for Rs 5 each and sells them for Rs 7, a profit of 20%. He has also built up a small stock of silver jewellery (Rs
5000 approx) which was acquired by buying up old silver and remaking it himself. He visits four markets in the territory occupied by the Jains (Kondagaon, Mungapadar, Dahikonga and Benur) and is slowly developing a clientele. One of these markets, Mungapadar, he has to himself. This is a new small market and, because it is in a fairly remote area, can reasonably be expected to experience some growth in the future. In the other markets he has direct competition from the Jains and therefore the rate at which he accumulates capital will be checked by this.

The market trade in silver imitation jewellery is monopolised by immigrants. However there is a group of members of the Soni caste who are indigenous to Bastar and who carry out their traditional occupation in their traditional way. Instead of selling jewellery at markets they go on expeditions visiting villages. A group of twenty households of these people live in Kondagaon. They are all related but tend to operate as individuals or in pairs. Every so often a small group of men will set out on a tour lasting 4 to 6 weeks. They walk from village to village with their tools asking for work. They remake old gold and silver ornaments and also sell silver, nickel and brass jewellery.

The Bastar Sonis have a reputation in Kondagaon, and especially among the Marwari Sonis, as dishonest rogues. They freely admitted to me that they dilute a customer’s silver in the proportion of fifty parts of silver to 5 parts of nickel. Thus, when they re-fashion someone’s silver they receive their labour charge plus this bonus. They also mark-up the silver they sell by between 50% and 70%. Their yearly income, however, is not very high. They can earn as much as Rs 1000 per month (1982 prices) and as little as Rs 10. It all depends upon the luck they have finding work.

While these people have kinship links with other Bastar Soni in the district their territoriality bears no comparison to that of the Marwari Sonis. Bastar Sonis are capital-less artisans rather than merchant capitalists; they have no control whatsoever over the national trade in precious metals. When they buy silver for resale, they are forced to buy at the retail market price from Kondagaon-based Marwaris. This fact means that they are precluded from competing with the Marwari-market traders even if they wanted to.
THE MARKETING OF GLASS BANGLES

The economic condition of glass bangle merchants is similar to that of the poorer sellers of brass and nickel jewellery with the difference that it is almost impossible for glass bangle merchants to improve their economic and social condition. They barely earn enough to survive, and are usually in debt to a wholesaler. The best they can hope for is to simply reproduce their situation. If they are able to accumulate some capital the only avenue open for them is wholesaling glass bangles. This, as we shall see, is a highly risky business and means almost guaranteed bankruptcy. So whereas the Marwari imitation jeweller is confronted with a ladder that is possible for him to climb, the glass bangle seller is confronted with a greasy pole. The reasons for this are due partly to the economic structure of glass bangle marketing and partly to socio-cultural factors such as caste and gender; in other words, in the particular form of territoriality characteristic of glass bangle marketing.

The demand for glass bangles in India is similar to the demand for rice in that, like rice, they are necessities. The difference, of course, is that whereas food is a natural necessity for survival, glass bangles are a cultural necessity. Glass bangles are the symbol of marriage for almost all castes and are a must for married women. Six or more bangles are worn on each wrist and are only broken off when the husband dies. In Bastar the breaking of a widow’s bangles is an important ritual of death. On the procession to the funeral pyre the corpse is laid on the ground and the face uncovered. The widow is then dragged screaming and struggling to the corpse and her bangles broken over the dead man’s body. For most women this is the first time in their life that they will be without bangles. Small bangles (usually plastic nowadays) are placed on small baby girls soon after they are born. These are replaced regularly but always in such a way that the arm is never bare. For example if a woman decides to replace her bangles because of wear or because she wants to wear a different colour, the seller will break all but one, fit the new ones, and finally break the last remaining old one. Bangles fit snugly around the wrist and are fitted by the sellers. The hand is squeezed and manipulated to get the bangle on and customers
grimace in pain as this done. Many bangles are broken in this process, a cost that is borne by the seller. If a women accidentally happens to break all her bangles in a fall, for example, it is considered inauspicious. She can not go outside her house nor serve food and a glass bangle seller has to be called to refit new ones.

The fact that half the population of India wears a dozen glass bangles that are replaced at least once each year, means that upwards of 6,000 million bangles are produced in India each year. Given that the retail price was six for Rs 1 in 1982, some Rs 1,000 million is spent on them annually. This is big business and big profits are made by the manufacturers and the big wholesalers at the top of the selling pyramid. For those at the bottom of the selling pyramid, however, it is a different story.

Retailers in 1983 bought their bangles at Rs 3 for 24 and sold them at Rs 4 for 24, a gross profit rate of 25%. This is to cover breakages as well as their other costs such as transport. Table V.1 gives some idea of the daily net profit a glass bangle retailer could expect to make in 1982. The data comes from the books of a wholesale merchant and are therefore accurate. I was able spend some time perusing the books of the wholesaler but he was unhappy about my taking notes. I was able to establish, though, that there was no seasonal variation in sales and that these figures are typical of the daily sales of a retail merchant. They also correspond with my direct observations and inquiries made of merchants. Sellers average Rs 37 per day in sales and after cost of sales, transport and breakages they realise a net profit of around Rs 6 per day, or 16%. This compares with a minimum wage of Rs 8 per day.

A feature of any trader’s income is its variability and a glass bangle trader’s income is no exception. As sellers of cultural necessities their income is not subject to seasonal fluctuations. Rather, it depends upon the particular daily market visited and the market’s ‘hotness’ or ‘coldness’, which is a random factor. Table V.1 shows that the Sunday market at Kondagaon yields the high average daily net profit. This is the biggest market in the region and attracts the highest number of sellers. It is the home market for many sellers, which means of course that transport costs are zero. The Wednesday market at Kondagaon
is a very minor affair and is one of the low points of the week for both sellers and buyers. The Mardapal market has the highest average daily sales of any market but this market is 25 miles from Kondagaon and transport costs absorb a significant portion of the gross profit.

As the markets run ‘hot’ and ‘cold’, visiting distant markets such as Mardapal involves a certain amount of risk. If the market happens to be ‘cold’ then a loss is possible. Small merchants must absorb such losses by either reducing their consumption or running down their capital. It is for this reason that glass bangle merchants concentrate on the markets nearest to their home to minimise travelling costs. We find then that they are decentralised relative to the rich Marwari traders. Whereas most of the latter live in Kondagaon the glass bangle sellers live in the four main towns, Kondagaon, Narainpur, Banyagaon and Lanjoda, and work the markets nearest to these towns. This defines four of the overlapping territories as shown in Map V.3. Some Kondagaon-based sellers travel to the distant Orissa markets, Erla, Hirapur, Amrawati. These markets are on consecutive days and traders minimise their transport costs by sleeping in the markets at night. This defines the fifth market area.

While the demand for bangles is more or less constant throughout the year, traders do good business on religious holidays, such as *diwali* and *dashera*, and during the *mela*

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**TABLE V.1 GLASS BANGLE RETAIL MERCHANTS: AVERAGE DAILY SALES AND PROFITS, FEBRUARY 1983**

<table>
<thead>
<tr>
<th>Market</th>
<th>Average daily sales (Rs)</th>
<th>Average net profit* (Rs)</th>
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</thead>
<tbody>
<tr>
<td>Sunday (Kondagaon)</td>
<td>52</td>
<td>11</td>
</tr>
<tr>
<td>Monday (Sampur)</td>
<td>34</td>
<td>5</td>
</tr>
<tr>
<td>Tuesday (Bade Kanera)</td>
<td>32</td>
<td>4</td>
</tr>
<tr>
<td>Wednesday (Kondagaon)</td>
<td>16</td>
<td>5</td>
</tr>
<tr>
<td>Thursday (Mumula)</td>
<td>19</td>
<td>2</td>
</tr>
<tr>
<td>Friday (Amrawati)</td>
<td>31</td>
<td>4</td>
</tr>
<tr>
<td>Saturday (Mardapal)</td>
<td>73</td>
<td>8</td>
</tr>
<tr>
<td>Overall average</td>
<td>37</td>
<td>6</td>
</tr>
</tbody>
</table>

*Note: * After transport costs and breakages

(fair) season which is held during the months of March and April. Every large market place has a *mela* once a year and on these occasions a trader can expect sales in excess of Rs 100. For example, at the Amrawati *mela* a trader had sales of Rs 130, while at the Mardapal *mela* she had sales of Rs 481, giving gross profits of Rs 33 and Rs 120 respectively. Profits of this magnitude are probably only enjoyed by the glass bangle trader a few times each year and represent super profit to her. The Marwari trader, on the other hand, enjoys profit of this magnitude or better most of the year round.

In 1982 glass bangle traders carried a trading stock of between Rs 100 and Rs 1,000, with an average of around Rs 500. All traders aim to carry a large stock of bangles of different size and colours. This is because carefully laid out multicoloured stock attracts customers and hence profits. This is just another way of saying that money makes money and it is a principle that one can observe working in the market every
day. At the Bade Kanera market on Monday 18 October 1982, to take one illustrative example, Brij Kumari was sitting next to Shanti Bai. Brij’s capital was down to only Rs 300 and consisted of bangles of only three qualities and five colours. These were laid out in front of her in five short columns. Shanti’s capital, on the other hand, was worth over Rs 1,000 and consisted of bangles of many qualities and colours. These were laid out in over twenty long columns and made Brij’s stock look feeble. The market was ‘cold’ that day and Brij was anxious to attract more customers. As a potential customer walked past she would attract their attention and harangue them in an attempt to coerce them into buying her stock. Their eyes would quickly pass over Brij’s wares and onto Shanti’s from whom they usually purchased. Shanti never engaged in verbal battle with Brij. She would, upon catching the eye of a customer, merely raise an eyebrow and draw attention to her larger stock by straightening up the bangles on display. This, along with her attractive stock, was usually enough to seduce the customer.

The operation of this ‘money makes money’ principle has the effect of reproducing inequalities between traders by making it harder for the poor to improve their position and easier for the better off to improve theirs. The principle also has the effect of reproducing the differentiation between sellers. However a trader’s fortunes are not determined solely by market relations. Family, kinship and caste relations play an important role and it is to these that we now turn.

Glass bangle retailing is usually done by women of the Pathari or Muslim caste both of whom are landless. Table V.2. classifies the 29 traders who attend the Kondagaon market by caste and gender. Women account for 73% of the traders. Muslims constitute the largest caste group with 48% of traders belonging to this group. Next comes the Patharis (34%) and the Gonds (18%). Many of the female traders are widows while most of the males are married and work in partnership with their wives. The Muslims are a heterogeneous group whose male ancestors came from different parts of India and married local women. The Patharis are an interrelated group of Tribals from the neighbouring Chhatisgarh region for whom glass bangle selling is an hereditary occupation. The Gonds are landless members of the Bastar Tribal community.
Consider now the case of the Muslim traders. While this group contains a number of people who are related, they have no unity as a group, no territoriality in the sense defined above. The Kondagaon Muslims are from different parts of the country—Punjab, Nagpur, Bihar, Kutch—and many have been in Kondagaon for a number of generations. The original immigrants were usually poor men who came in search of work, married local women and settled. With two or three exceptions, the descendants now belong to the poorer classes of Bastar society. Not being a close knit group there is no pressure on women to observe the purdah regulations demanded by their religion. The principal pressures on women are economic and it is this pressure that has forced many Muslim widows to become bangle traders. When their husbands died they found themselves without means of support for their families. Bangle trading is one of the few avenues of employment open to women.

The Pathari bangle merchants, by way of contrast, are more unified as a group. Consider the case of the three sisters, Brij, Kumla and Kaccheri who were born in Bhanpuri (40 kms from Kondagaon) where, in 1982, their mother and other relations lived and worked as bangle merchants. Brij, of whom mention has already been made above, is the poorest of the three sisters. In 1982 she lived with her husband, five children and daughter-in-law in a small two-roomed rented mud hut in Kondagaon and worked seven days per week. When she attended markets away from Kondagaon, she left home around 8–9 am and returned around 6–8 pm. Her work yielded her around Rs 150–250 per month. Her two rickshaw pulling sons earned about Rs 200–300 per month each, giving a gross family

<table>
<thead>
<tr>
<th>Caste</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pashari</td>
<td>3</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>Muslim</td>
<td>3</td>
<td>11</td>
<td>14</td>
</tr>
<tr>
<td>Gond</td>
<td>2</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>8</td>
<td>21</td>
<td>29</td>
</tr>
</tbody>
</table>

TABLE V.2 GLASS BANGLE RETAIL MERCHANTS: NUMBERS BY CASTE AND GENDER
income of around Rs 550–850. Her family ate about 5 paillis (9 kg) of rice per day, all of which has to be purchased at a rate of Rs 5 per pailli. The monthly rice bill was therefore around Rs 700 which was sometimes in excess of the household income, sometimes below. Both Brij and her sons had irregular incomes and their precarious situation prevented her from accumulating capital. On an average day Brij would bring home Rs 40 from her sales for that day. Of this Rs 30 should have been spent replacing sold stock leaving a gross profit of Rs 10 and a net profit of Rs 6 after transport expenses and breakages, which is sufficient to buy about 1.25 paillis of rice. When her sons did not earn enough to purchase the remaining 3.75 paillis, she was forced to spend the Rs 30 set aside for stock replacement. This reduced some of her working capital and also her future income for reasons discussed above. This could be offset by buying stock on credit from the wholesaler, which created a debt that had to be repaid. When sales continued to be ‘cold’ this debt had a tendency to build up as further capital was eaten and more credit capital sought.

A continual run of good sales is needed to eliminate to the debt and to provide sufficient funds from net profits to build up equity stock. Such runs are rare and many wholesalers have gone bankrupt lending to traders such as Brij. Borderline traders like Brij rarely go out of business because they have nothing to lose. Furthermore, from their perspective the bankruptcy of a wholesaler is a good thing because it wipes out their bad debt. Shrewd wholesalers only advance small funds to traders like Brij and this is one of the reasons why her capital is so small today. Another source of credit for Brij is her sisters. Her youngest sister, Kaccheri, is one of the most successful bangle traders in Kondagaon. This is due, in part, to the fact that her husband is an educated contractor and earns good money. They have over Rs 2000 of their own money invested in bangles. Their son helps with the selling on a full-time basis and the husband assists when he has no contract work. Their relative wealth is obvious from their appearance: the men wear tailored clothes and the women wear relatively expensive ornaments. Nevertheless, they are still poor relative to the Marwari traders. Differences in domestic capital, the marker of the prestige of a family, is an obvious sign of this. Kaccheri, like Brij, lives in a small mud hut while the
Marwari’s have invested considerable sums in brick houses, furniture, milking cows, and the like.

The economic status of the middle sister, Kumla, was midway between Brij and Kaccheri in the early 1980s. She and her husband earned around Rs 300 per month from bangle selling which gave them a surplus of around Rs 60 per month after rice purchases. With careful budgeting, they could usually manage to break even after the purchase of other necessities. Like Brij they sometimes need credit. They had a debt of Rs 2,000 to a previous wholesaler who still lives in Kondagaon. They will never be able to repay this though and it will probably be written off in the course of time.

Comparing the case histories of these three sisters, then, it is clear that the nature of one’s marriage and the number of sons one has can affect one’s relative status. Kaccheri’s educated contractor husband liberates the household from complete dependence on glass bangle selling and their policy of educating their children opens up possibilities that are closed to the illiterate children of the other two sisters. Sons are something of a double bind: if they can find employment they boost household income and if not they are a drain on its resources.

The Marwari kinship web is nation-wide and they exercise considerable control over the cloth and jewellery trading network. The Pathari kinship web is only Bastar-wide and they exercise no control over the national trade in glass bangles. They merely specialise in marketing at the very bottom of the selling pyramid. Their kinship network is not simultaneously also a commercial network as it is for the Marwaris. Thus whereas Marwari territoriality offers scope for economic mobility, Pathari territoriality functions to reproduce their relatively disadvantaged position. The Muslims of Bastar who have neither kinship webs nor commercial networks, have even less hope of improving their position. The absence of wide mercantile kinship networks is not to say that individual households have no hope of social mobility, but it does make it exceptionally difficult.

One further factor which makes it difficult for a glass bangle trader to be upwardly mobile is the nature of the product they sell. Glass bangles are the cheapest per unit of all ornaments and the most labour intensive to sell. A silver merchant can
sell Rs 1,000 worth of jewellery in less than five minutes but a glass bangle seller would have to work non-stop for hours to sell the equivalent in bangles. In 1982 a single bangle cost Rs 0.16 and, given that it takes between 18 and 20 seconds to fit, the theoretical maximum a seller can earn is around Rs 200–300 per hour. Thus the labour-intensive nature of bangle retailing places a ceiling on potential profit.

Wholesaling glass bangles to retailers is not a very profitable venture either. Bangle traders, as we have seen, are impecunious and prefer to buy from a wholesaler who supplies credit. Competition among wholesalers has sent many wholesalers bankrupt as they overextended credit to capture a larger share of the market. In 1982 the north Bastar market was supplied by two wholesalers. One firm was a long established merchant family with diversified economic interests, the other a young man with a little capital who was trying to establish himself. The latter moved into bangle wholesaling when the established firm, concerned about the large number of outstanding debts, stopped advancing credit to the retail merchants. By offering credit the young man was able to capture the wholesale market. This is shown in Table V.3 which shows the sales figures of the established firm before and after the change in selling policy.

Sales dropped from Rs 609 to Rs 27 when credit was refused. Credit sales only amounted to 10% of total sales but as most of these were bad debts the firm was only breaking even because a wholesaler’s profit is also around 10%. The new wholesaler had been operating for one year in 1982 and had not as yet gone bankrupt when my main fieldwork was done, but when I

**TABLE V.3 GLASS BANGLE WHOLESALER: EFFECT OF CREDIT ON SALES**

<table>
<thead>
<tr>
<th></th>
<th>Average weekly sales when credit was given</th>
<th>Average weekly sales after credit was stopped</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>544</td>
<td>27</td>
</tr>
<tr>
<td>Credit</td>
<td>65</td>
<td>–</td>
</tr>
<tr>
<td>TOTAL</td>
<td>609</td>
<td>27</td>
</tr>
</tbody>
</table>

*Source: Wholesaler’s books*
I noticed that he had gone out of business.

THE MARKETING OF ‘FANCY GOODS’

The socio-economic structure of the market trade in ‘fancy goods’ (manihari) is similar to that of glass bangle trading. The ‘fancy goods’ merchant stocks cheap imitation jewellery; items for self-beautification such as cheap powders, creams, combs and mirrors; items for repairing clothes such as pins, needles, cotton and buttons; and other items such as fishing lines, and hooks. Their presence in the market is advertised by the brightly coloured ribbons they have hanging on lines in front of their stalls.

Traders carry a stock valued in 1982 at between Rs 200 to Rs 2000, sales averaged around Rs 40 per day and the mark-up on cost was 33% as it was for glass bangle sellers. The territorial organisation of selling is identical to bangle merchants, being decentralised and divided up into small areas surrounding the major towns. Again like bangle merchants, most ‘fancy good’ traders come from the neighbouring Chhatisgarh region after the Second World War. There are a few significant differences however. ‘Fancy goods’ merchants tend to be members of either the Kosaria or Chhatri castes. Members of the former group are predominantly female, while the latter are predominantly males, some of whom own some land.

‘Fancy goods’ merchants sit together in the market and it is usual to find a line of merchants to be related in some way.

FIGURE V.4 Kinship relations of seven Kosaria ‘fancy goods merchants

[Diagram of kinship relations]
Figure V.4 shows the family relations between seven of the merchants at the Bade Dongar market in 1982.

These people all lived at Farasgaon and were all born at Bishrampuri, near Keshkal in Bastar. They belong to a Chhatisgarhi caste called Kosaria. They all visit the same markets but work separately except, of course, for Pila and Parvati, the husband and wife team. They are landless traders and their economic position is similar to the bangle trader cases discussed above. It seems that this caste has specialised in the ‘fancy goods’ trade because another large group of them live in Orissa and work the markets on that side such as Makdi, Hirapur, and Amrawati.

Pratab Singh and his brother are typical examples of better off traders from the all-male Chhatris group of ‘fancy goods’ merchants. Their father was born in Raipur and migrated to Kondagaon in the 1950s where Pratab and his brother were born. They have seven acres of land which they work early in the morning before going to the market and in the evening after returning. On occasion, when there is much work to be done on the farm, his wife stands in for him at the Sunday market at Kondagaon. Farmer-traders of these type are quite common among the sellers of groceries and other household items (kirana) as we shall see below.

The Chhatris have migrated to Bastar to escape poverty and landlessness in Chhatisgarh. Budh Ram’s case (Figure V.5) illustrates this. He and his brother arrived in Kondagaon in 1972 a few years after his uncle Gita and cousin Kamal.
Their father had only seven acres of land in Raipur which was insufficient to support them. They live in Kondagaon with their relations and, in 1982, cycled to Sampur, Mungapadar, Golawand, Bamhni, Dahikonga and Mardapal. Another case is Sukhpal whose family were rendered landless with the development of an irrigation scheme near Dhamtri. Their lands were in the path of a canal and they received no compensation for their fields when they were destroyed. They migrated to Bastar and settled at Dahikonga where they encroached onto some government land. They make ends meet by selling ‘fancy goods’ at the daily markets.

A number of landless Bastar Tribals have moved into ‘fancy goods’ retailing. These people are among the poorest of all merchants. One example is Thanwari Bai, a widow. She has two grown-up daughters who are also extremely poor. She lives alone in order not to burden her daughters and survives by selling ‘fancy goods’. Her stock, in 1982, was worth only Rs 150–200. From this she earned a monthly income of between Rs 75–100 on which she had to live. She could afford to attend only a few markets. Three of these—Mungapadar, Banyagaon, Dahikonga—are near to her home village and she walked to them. The fourth, the main Sunday market at Kondagaon, had to be reached by bus at a cost of Rs 1.10.

THE MARKETING OF GROCERIES

The third main category of commodities imported into Bastar is groceries (kirana). This includes a large heterogeneous collection of household items such as potatoes, onions, turmeric, salt, biscuits, soap, incense, batteries, oils of various kinds, chillis, matches, sugar, tobacco, and betel nut.

The wholesaling of these products is controlled primarily by two immigrant Punjabi families and the retailing is in the hands of a heterogeneous group of people from many different castes. It is difficult to generalise about these market retailers, suffice to say that many are poor farmers who have been forced to diversify their economic activities in order to survive. The wholesaling families provide an interesting contrast because one is wealthy and joint, the other is disjointed and of mixed economic status.
The Punjabi wholesalers—whose joint family relationships are shown in Figure V.6.—are political refuges, who arrived in Bastar penniless in 1950 after Partition. They established businesses in Kondagaon and are now one of the most prosperous families in the town. They have interests in rice mills, land, transport, medical stores and government contracting in addition to their grocery interests. The two main clans (gottra) are linked by marriage and the original joint families have been split up and replaced by those shown. The Hanraj family, with seven married brothers, is the largest. Five of the brothers live together in a huge mansion which looks like, and seems to functions like, a hotel. The other two brothers live in Raipur. The eldest brother has supreme authority. Most of the groceries they import come from Raipur and the two brothers live there to handle this side of the business as well their trucking business. Hanraj and Company do not have a market round. They sell direct from their store in Kondagaon.

The distant markets are all supplied by three brothers from the disjoint Lal family. The age range of the brothers compares with that of the Hansraj family but the price the younger brothers pay for their freedom is high and unequal. Kasturi is the oldest and most successful. He and his sons have a jeep and trailer and visit Farasgaon, Keshkal, Erla, Hirapur and Amrawati where they sell groceries and buy mahua, the flower from which liquor is made. The mahua is subsequently resold at a profit in Kondagaon. His youngest brother, who is not so
well off, has a well stocked store in Kondagaon which he closes three days per week to attend the markets. The middle brother just manages to make ends meet by selling oil on the Orissa side markets.

The territoriality of the people who sell groceries on the daily markets is very different from that of the cloth and silver traders discussed above. Grocery merchants are usually poor farmers who set up stalls in the market for a couple of days per week in order to make some extra money. They carry capital valued from a few rupees to Rs 1,000 and only go to those markets within walking distance of their villages.

Some of these farmer-traders make relatively good profits. Take, for example, Saligram of the Sahu (oil presser) caste from Badgaon village who sells cooking oil. He farms three days per week (Wednesday, Thursday, Friday), attends three markets on other days during the week (Makdi, Sampur, Katagaon), and visits Kondagaon on Sunday in order to purchase oil. His capital is around Rs 2000 and his sales average Rs 400–500 per market. These are all in cash. His profit rate is 20% giving a gross profit per market of Rs 80–100. On 12 October 1982, for example, his sales were Rs 587, giving a profit of Rs 117. This was just after the wet season and before the harvest. It confirmed his point that oil, being a necessity, is not subject to seasonal variation in demand. Saligram owns a bicycle which he uses to transport his oil from market to market.

Perhaps a more typical example is Sita Ram, a Gond from Aloor. He has eight acres of land, which his son works, plus a trading stock of Rs 500, consisting of biscuits, soaps and assorted sweets. These are packed into a tea-chest which he carries on his back to the six markets in the neighbourhood of his village (see Map V.4). If he is lucky he can earn between Rs 10–50 per market. This is because four of the six markets he visits are very small. Any village in the district has at least two or three daily markets within walking distance. A farmer-trader of his kind who wants to visit only big markets has to become a travelling salesman. This option is not possible for individual farmers such as Sita Ram. However it is possible for groups, as the case of Jala Ram illustrates.

Jala Ram is the senior member of a family group of 10–15 Harijan chilli and garlic sellers who move from one market to another on the Orissa side (see Map V.4). When the big
Kondagaon Sunday market is finished, they stock up with enough chillis and garlic to last them a week and head off early on Monday morning to walk to the Sampur Monday market. They carry the loads—anything up to 60 kg—in two big bags suspended from a bamboo stick carried over the shoulder. They sleep at a relative’s house near Sampur on Monday night and head off early Tuesday morning for Makdi. On Wednesday morning they go to Erla where they have a base. They walk to the Hirapur, Amrawati and Chhinari markets from here. Early on Sunday morning they return by foot to Kondagaon. In one week, then, they cover 100 miles by foot.

The group are all related to one another and everybody is ranked according to a kinship hierarchy. The numbers in the group fluctuate between 10 and 15, depending upon the length of time they have been on the road and the amount of work that needs to be done on their land in neighbouring Raipur District. Each individual spends about nine months per year on the road. There is never a time when they are all at home; their market round is therefore perpetual.
The profitability of this trade is similar to trade in glass bangles and ‘fancy goods’ discussed above. Chillis are purchased at Rs 3 per kilo and sold at Rs 4–5 per kilo a gross profit mark-up of 30–50%. Sales range from Rs 10–40 per day, giving a gross profit of Rs 5–20 per day per seller. All the profit is given to the senior member of the group who does all the buying and controls the distribution of the money.

The group all sit together in a line at the market and sell their chillies in ‘four anna’ (Rs 0.25) lots. There is no bargaining but a ‘sweetener’ is always thrown in as a matter of course. They have no competition from other groups except at Kondagaon where they compete with a group of Bengali traders. The Bengalis are based at Jugani about 12 miles from Kondagaon on the national highway. They are the young sons of refugees who have not been able to make a success of farming. They work the markets up and down the highway which they get to by bus. They also walk to a few interior villages near their home town.

Another important socio-economic group in the market that must be distinguished are the very small scale women traders in groceries. These women travel to two to three markets per week near their village. They spend Rs 20–30 on onions, potatoes, or turmeric and set up shop wherever they can find a spare piece of ground to sit on. They usually travel in family groups and obviously enjoy their day out in the market even though they only make a rupee or two profit. While some of these women are from very poor homes and need the money, the economic motive is not sufficient to explain the existence of this group of traders. It must be remembered that the weekly market is not simply an economic institution, it also has important social functions. For example, because of the patrilocal marriage, sisters tend to be distributed over a much greater territory than brothers. The market therefore provides women with an opportunity to meet on a regular basis. A visit to the market also provides women with a chance to escape from the tedium of the daily domestic labour routine.

Some of these women are contracted to sell salt on a commission basis. Bhadri Bai, a Banjara who lives near Bade Kanera, does this one day per week. Her husband owns three acres of land and the few rupees she earns enables her to buy some provisions at the market. Another woman, whose
husband is engaged in his traditional craft occupation of weaving, walks to the three markets nearest her village—Dahikonga, Kanera and Kondagaon—to sell salt. The only barter transactions we witnessed were carried out by these salt sellers. They exchanged 1 *paili* of rice for 1 *paili* of *kosra* (akin to rice bubbles). A *paili* is a unit volume (one litre approx) and all transactions of these small women traders are conducted with this measure.

Not all the items listed as ‘groceries’ are controlled by the Punjabi wholesalers but the foregoing gives a general picture of the socio-economic structure of the marketing of this diverse category of commodities.

**TERRITORIALITY IN COMPARATIVE PERSPECTIVE**

Territoriality as a mercantile kinship value is a widespread phenomenon. Its general form is much the same everywhere but local histories give it a particular colour.

Dewey got to the heart of the matter in her pioneering study of rural marketing in Java. She did not use the expression ‘territoriality as a value’ but her article, *Trade and Control in Java* (1962b), which was an anthropologically informed critique of the old debate about religion and enterpreneurship, raises all the pertinent theoretical issues. In the Java of the 1950s that she observed mercantile capital had three distinct strata. At the bottom were the Javanese villagers who engaged in small scale trade; next came the Chinese, and to a lesser extent the Arabs and Indians, who dominated the large scale inter-market trade and the import of downwardly mobile manufactures; and at the top were the Europeans who ran the really large economic enterprises. Mercantile stratification of this kind, she noted, is found in parts of Africa and Latin America and people had been apt to explain it in terms of ‘primordial cultural patterns’. The key to the relative success of the Chinese, she noted, was the difference in their relationships to the wider world and the quality of their internal relationships. Credit defined the essence of intra Chinese relations, the absence of credit and long term contracts the essence of intra Javanese relations. A Javanese trader working with a minimum of capital and only his own
labour, she notes (1962b:182), cannot compete with the Chinese: ‘He cannot borrow money or get credit. He cannot count on the honesty of any other partners he may bring in to augment his capital and labour resources. The Chinese on the other hand can borrow the capital from another Chinese if he does not have it himself.’ To understand how something like this comes about, she argues, one must go back into the external and internal history of Chinese settlement in Java. The external history is one of dislike and discrimination: the Indonesian government, for example, has been trying to break their monopoly for years and, in 1959, resorted to ejecting them bodily from the villages and small towns of Java. The internal history is one of boundary maintenance; it tells the story of men who were excluded from community activities because of ‘bad’ business behaviour.

More recent work on Javanese traders by Alexander (1987) confirms the importance of credit as a marker of mercantile stratification. ‘The difference between successful and poor cloth traders,’ she argues (1987:3), ‘owes little to marketing skills, shrewdness or tenacity: it is a product of their access to credit, which in turn reflects their class position.’ Davis’s work in the Philippines (1973) also stresses the importance of credit, of inheritance as a source of trading capital, and of the need to study the history of the social relations of traders.

It would be tedious to cite more examples to illustrate the wisdom that informs Shakespeare’s insight into the nature of mercantile capital of the joint family kind. Merchants make a sharp distinction between the values associated with buying, selling, talking and walking and those values that link eating, drinking and praying. The mercantile values—buying cheap and selling dear, creating good customers with talk and sales-credit—are quite distinct from those of territoriality but united as a form of mercantile kinship it creates a very powerful force. But this strength is also mercantile kinship’s greatest weakness. The alienating exclusiveness of territoriality breeds resentment of a kind that nationalist political leaders like to exploit for their own advantage. Successful mercantile communities, then, become scapegoats as the history of the Jews in Europe and the Chinese in Southeast Asia reveals. The Marwaris of India have not suffered this fate as yet although their wealth breeds jealousy and malicious gossip.
NOTES

1 Hazlehurst (1968: 289) makes a distinction between legal credit and social credit. Legal credit is that which is extended to certain citizens of the state because of their status (e.g., refugee). Social credit is insider credit. In an open market, for example, the insider will pay less than the publicly agreed price and get his wares on credit while the outsider pays cash at the market price.

2 Skinner uses central place theory to inform his analysis of rural markets in China. It should be obvious that my notion of territoriality as a value is quite distinct from the market areas of central place theory. Territoriality as a value is a form of consciousness; market areas, by way of contrast, are objectively defined spaces that can be mapped (as illustrated in the maps below).


4 Alexander, following Geertz (1979), is primarily concerned to analyse the market as an institution that structures the flow of information: ‘The level of ignorance about everything from product, quality and going prices to market possibilities and production costs,’ notes Geertz (1979:124) ‘is very high, and a great deal of the way in which the bazaar is organized and functions (and within it, the ways its various sorts of participants behave) can be interpreted as either an attempt to reduce such ignorance for someone, increase it for someone, or defend someone against it.’

5 Davis’s work addresses the old formalist versus substantivist debate; he interprets social relations of the market in terms of the theory of balanced reciprocity.

6 A pratik, Mintz (1961:57) notes, is defined as a ‘good customer’. ‘It means/ an informant told him, ‘that you are selling. I come to buy from you each day. I need credit; you sell to me [on credit]; the money is “content” that you sell to me. I always buy from your hand; I pay you well. That means pratik.’ In the Philippines this is called suki: ‘But for you says the seller to his suki, “the price is only...”’ (Davis 1973:221). The same concept exists in Bastar but if there is a term for it then I missed it. A Hindi-speaking friend from North India was unable to recall a Hindi term for a ‘good customer’.
‘My Baniya informants,’ writes Fox (1967:309), ‘said that one of the most important if not the most important aspect of good salesmanship is to always “speak sweetly and softly” to the customer, never try to bully him, always attempt to cajole him, and in general make one’s own feelings and personality as unobtrusive as possible.’
CHAPTER VI
Usury, Interest and Usance

Shylock. Fair sir, you spat on me Wednesday last; you spurned me such a day; another time you call’d me dog; and for these courtesies I’ll lend you thus much money?
Antonio. I am as like to call thee so again, to spat on thee again, to spurn thee too. If thou wilt lend this money, lend it not as to thy friends,—for when did friendship take a breed for barren metal of his friend?—but lend it rather to thine enemy; who if he break, thou mayst with better face exact the penalty.

Merchant of Venice

TEMPORALITY AS A VALUE

If territoriality is the value that mediates the buying cheap here and selling dear there of mercantile capitalism, then temporality is the human value that links the money of today (M) with the larger amount it begets tomorrow (M’). The difference between M’ and M is the hated offspring of money, the ‘bastard child’ whose begetter has aroused moral indignation since time immemorial. The ‘usurer is most rightly hated,’ says Aristotle (quoted in Marx, 1867:162), ‘because money itself is the source of gain, and is not used for the purposes for which it was invented. For it originated in the exchange of commodities, but interest makes money out of money, more money. Hence its name tokos (interest and offspring). For the begotten are like those who beget them. But interest is the money of money, so that of all the modes of living, this is the most contrary to Nature.’ The Indian Laws of Manu define usury as money lending above a stipulated rate
which was two parts in the hundred per month if the borrower was a Brahman, three parts in the hundred per month for a member of the warrior caste, four for a merchant and five for a Sudra. Usury is a sin on a par with defiling a damsel, breaking a vow, selling a tank, a garden, one’s wife, or child; loss of caste is the punishment (Mueller, 1979:XI, 62). Usury, says Marx (1894:595), ‘attaches itself like a parasite’ to a rural society and makes it wretched: ‘it sucks out its blood, enervates it and compels reproduction to proceed under ever more pitiable conditions’.

Values of this kind inform much current thinking about rural money lending in places like India. A distinction is made between ‘modern’ urban based systems of bank lending where the market forces keep interest rates low and a ‘backward’, isolated, rural based system where ‘personal values’ rule to keep interest rates high and collateral undervalued. The latter, which is defined as usury, is seen as bad. Usury is seen as highly exploitative because the function of the ruinously high interest rates is to enable the usurer to accumulate assets via the transfer of undervalued collateral brought about by large scale default (Bhaduri, 1993:16). Bank lending at competitive rates of interest, by way of contrast, is seen as progressive because it can alleviate poverty by financing the development of the productive forces. Aristotle, Manu, Marx and Friedman all seem to agree on this much; so too do twentieth century Marxists and World Bank economists.

This argument is a powerful one. It occupies the high moral ground and has the backing of authorities from the left and the right. However, morality and authority do not necessarily make good anthropology, especially when the theories of moral authorities are accepted uncritically. Money lenders are notoriously secretive in their dealings and detailed ethnographic studies of village money lending practices are rare. In the absence of reliable data, abstract theories that bear no correspondence to reality have multiplied to fill the vacuum. Village-based money lenders do have power and wealth but this is never absolute. Borrowers may suffer in their hands but they are not passive victims. Furthermore, bank lending at low rates of interest can, as we shall see, also bring about the transfer of highly valued collateral and impoverish the poor.
But the major problem with this generally accepted theory is its quantitative approach to the notion of temporality. The problem to be explained is posed in quantitative-value terms and this begs an answer that must be given in like terms. For example, the question ‘Why are interest rates on money in rural areas so high?’ presupposes that rural money lending involves quantifiable rates and that these are high relative to urban rates. However, if one looks carefully at actual cases of village money lending it is clear that they divide into three broad categories: those that make explicit reference to an interest rate, those that contain implicit reference to an interest rate, and those for which the notion of an interest rate is unmeaning. For the third kind of money lending, then, it makes no sense to talk about a high rate of interest because the notion of rate of interest is just not there to be found. As it happens, this is the most important form of money lending in Bastar because it involves borrowing against land. This is not a ‘tribal’ form of money lending that can be explained away with reference to the culturally specific conditions found in Bastar; it is a general form that has been unnoticed by observers who tend to reduce these three forms to the first. I will call the third form of money lending by the ancient term usance and argue that it needs to be distinguished from usury and interest.

Lending at exceptionally high interest rates (usury) does exist in Bastar but it is relatively unimportant in that it never involves land so far as I am aware. For example, there is a particularly shady character in Kondagaon who fits all the stereotypes of a usurer. He is an outsider to the district. In 1983 he had advanced Rs 120,000 in loans at three different rates. The first, expressed as Rs 3 per Rs 100 per month, an implicit simple interest rate of 36%, is given to anyone prepared to deposit gold or silver jewellery as collateral. This rate is within the legal limit even though the lender himself is not licensed. The second, at a cost of Rs 10 per month (120%) is extended to those in public service employment who do not have collateral. The third, Rs 20 per month (240%), is extended to card players and other gamblers. While many farmers would be willing to borrow from this man at 36% using silver as collateral, not one farmer has taken out a loan at 240% using land as collateral. Even if the lender was asked for money against a loan of this kind it is highly unlikely that he
would extend credit to a farmer against a parcel of land in a village miles from a market town. What would the farmer do with it when he got it? How would he farm it? Most farmland has little value as a commodity and no value as a good to a person like him.

Lenders and borrowers in rural areas understand the household politics of lending against silver, labour and land very well. The challenge for the observer is to suspend one’s sense of moral outrage, to listen carefully to the stories that lenders and borrowers tell, and to pose anew the question of temporality as a value. I will do this by means of a comparative analysis of the lending practices of the World Bank and the village money lenders in Bastar. Given the complexity of the subject, I limit myself, in the main, to an analysis of those loans involving arable land. My aim, as usual, is to develop some generalisations by examining this particular case in comparative perspective.

WORLD BANK LENDING IN BASTAR

The World Bank has played a major role in the promotion of capitalist development in Asia in the past two decades. In the agricultural sector it has been active since 1966 in extending medium term and long term loans to small farmers. The aim of this strategy has been to ensure the success of the green revolution by strengthening the rural banking system. This has involved, among other things, the extension of massive credit assistance at favourable rates of interest to small farmers. The rationale for this policy is to enable them to adopt new production techniques that will increase their efficiency and help them escape the clutches of the traditional village money lender.

An important World Bank project implemented in Bastar in the mid 1970s was the Land Mortgage Bank (LMB). This is an all-India wide institution set up to provide long term loans (7–15 years) for farmers to purchase expensive capital equipment such as tubewells, tractors, diesel and electric pumps. Its function was seen to be distinct from the central co-operative bank which provides short term loans (maximum 5 years) for less expensive items such as fertilisers, seeds, repairs to fields, and so on. An assumption behind the LMB loans was that they
would allow farmers to increase productivity and hence provide them with a surplus to repay the loan. To assist poor farmers, and especially those of Tribal or Harijan background, a subsidy is given in the form of a direct grant from the government towards the initial cost of the item purchased. In the case of Tribals and Harijans with less than 30 acres of land the grant is 80% of the initial cost; non-Tribals with less than 5 acres, 50%; those with between 5–10 acres, 33%; while farmers with more than 10 acres receive no subsidy.

In spite of these rather generous subsidies the project has been a failure. In the Kondagaon Tahsil, 499 loans were granted over the period 1976–1981. Only 23 of these have been closed through repayment of the loan. Eighteen accounts were closed by sale of mortgaged land. Of the 458 accounts outstanding, 195 (45%) are in default. Fifty four of these defaulters have their land mortgaged and will almost certainly lose it; the remainder will lose essential moveable property (eg. cattle) making it virtually impossible for them to farm.

The Land Mortgage Bank, then, had consequences precisely the opposite to those intended. Instead of abolishing poverty the institution has become the single most important cause of landlessness in Bastar and has been responsible for an upsurge of village-based money lending.

The Bastar experience is not an isolated case. An anthropologist working in a village in Andhra Pradesh gave the following account of the operation of the Land Mortgage Bank in that district.

In 1975–76, funds for irrigation projects for scheduled tribals were released through a credit institution called the Land Mortgage Bank(LMB)... Under this scheme thirteen cultivators in the village of Ginnedhari were persuaded to take loans varying from Rs 1,500 to Rs 6,000 (this compares with an estimated income from an average land holding of eleven acres of Rs 3,000 in a good year). All the thirteen had to pay the junior officials of the Land Mortgage Bank between Rs 100 and Rs 200 to have their applications processed. Finally the loans were sanctioned and, without supervision, each person was given the money. Two of the applicants had bad harvests that year and used all the money for household expenses. Eight of
them started work on digging wells. In two cases they ran out of cash before reaching water. In five cases they reached water but failed to line the well, either due to lack of funds or due to an inability to get cement, so that in the next monsoon season the well caved in. Only in one case was the well successful, but even then it was not deep enough to store sufficient water to actually irrigate a crop, though the well has subsequently been deepened and is operating. One person built a small dam across a stream to irrigate a small garden, but he had mixed the mortar incorrectly, and the dam was swept away in the rains. Another built a small earthen barrage dam to irrigate one acre of paddy, but the barrage overflowed, was destroyed, and swept the soil off the levelled paddy fields. The last two applicants purchased diesel engines to lift water from perennial streams, but one was delivered incomplete and unusable, while the other broke down after three week’s work, and the owner was unable to repair it. Due to lack of supervision and to expecting people to adopt a technology of which they had no previous experience, all but one of the projects failed, and the other was successful only because the cultivator put considerable personal investment into it. However, the tragedy was that next year the LMB officials came to collect the first instalments on the repayment. All the cultivators understood that the government would take their land until they repaid their debt. Here there appears to have been a lack of communication. As a result of this, the applicant who had made a success began his repayment, one applicant sold two acres of paddy land and paid off his debts in full, and four others mortgaged their land to moneylenders at vastly inflated interest rates and paid off the loans in full. The two with pumps had rusting remains confiscated for auction and were told that the outstanding debt would be collected next year, and the next absconded temporarily but subsequently had all his household brassware confiscated until he attended the bank to settle the claim. Basically, twelve out of the thirteen were harmed by the development loans granted to them. The government target for distribution of loans was reached, but subsequently all the unpaid loans were
annihilated by the government, and no increase of irrigated land was achieved at all. The scheme was thus considered a failure by the development office (Yorke, 1982:232).

These findings have been quoted at length because they illustrate in a very concrete way a number of features about the operation of the World Bank, which, I would hypothesise, are common throughout rural areas of the Third World:

1. Poor farmers are unable to increase their productivity with the new capital. As a result they are unable to generate the extra income needed to meet their repayments.
2. In order to raise the money needed to repay their loans they must borrow from a village money lender or face the prospect of having their mortgaged property confiscated.
3. The inability of the farmer to repay their loans is not seen as the fault of the World Bank or of the theories that inform their actions. In some cases nature is at fault for not supplying enough rain at the critical times. In other cases it is the petty bureaucrats who jeopardise the projects through corruption and inadequate supervision. The inability of farmers to learn how to use the new technology is yet another factor.

The theoretical basis for the World Bank model has been developed by economists such as T.W.Schultz, a Nobel prize winner and follower of Milton Friedman. In his influential book _Transforming Traditional Agriculture_ Schultz advances a very simple technical explanation for poverty:

Thus, in sum and substance, the man who is bound by traditional agriculture cannot produce much food no matter how rich the land. Thrift and work are not enough to overcome the niggardliness of this type of agriculture. To produce an abundance of farm products requires that the farmer has access to and has the skill and knowledge to use what science knows about soils, plants, animals and machines. To command farmers to increase production is doomed to failure even though they have access to knowledge. Instead an approach that provides
incentives and rewards to farmers is required. The knowledge that makes the transformation possible is a form of capital, which entails investment—investment not only in material inputs in which a part of this knowledge is embedded but importantly also investment in farm people (Schultz, 1964:206–207).

Thus for Schultz and for the World Bank strategists poverty is due to a lack of capital, both material and human, and the prescription for the alleviation of poverty is free market capitalism’s rewards and incentives. In particular, the development of free competitive money markets in rural areas will give ‘traditional’ farmers access to that capital they need to help them escape from poverty.

The paradox is that the World Bank could just as readily have used Marx’s or Lenin’s theory of agrarian transition to justify their policies because both Marx and Lenin saw the development of capitalism in agriculture as ‘progressive’ (Lenin, 1899:595).

VILLAGE MONEY LENDING IN BASTAR

Money lending is neither good nor bad; theories of value judge it so. For some people debt has been the source of great wealth and prosperity while for others it has been the source of great poverty and misery. What is crucial for understanding the social consequences of indebtedness is the nature of the power relationship between the borrower and lender. If the power relationship is unequal then obviously the potential for the exploitative use of the debt relationship is much greater than if the transactors are from the same class. Other relevant factors to consider in a comparative analysis of money lending are the social forces that motivate lender and borrower, the nature of the security offered and the sanctions available to the lender.

Jewellery, labour and land are the main forms of collateral offered in rural areas and the principles governing the lending and borrowing of money vary accordingly. In the so-called ‘semi-feudal’ states like Bihar where landlordism is predominant, labour is the only collateral many borrowers can offer. This creates the phenomenon of ‘bonded labour’. In regions like Bastar, where smallholder proprietorship of land
parcels predominates, village money lending of this type is rare. As there is no economically dominant household, lending tends to be done by a variety of people and land, rather than labour, is used as security for the loans.\(^6\)

Notwithstanding these important differences, the social forces that motivate borrowers to seek loans are similar in both cases. Village households need to reproduce themselves and this requires people to spend large sums of money on life cycle rituals such as marriages and funerals, and the problem of finding money for these purposes is a central preoccupation. For example a quantitative study from Bihar on debt bondage showed that marriage and funeral expenses accounted for 51% of loans, consumption 17%, and illness and medical treatment 12% (Mundle, 1979: 08). My own data from Bastar is consistent with these findings.

From the perspective of the World Bank this type of borrowing and lending is unproductive. Their agents such as the Land Mortgage Bank will only give loans for the purchase of material inputs into the production process. However, as we have seen, there is little demand for this type of loan among villagers. The small scattered plots of land they farm require few material inputs apart from seed, ploughs and working cattle and most farmers manage to get access to these inputs without having to rely on money lenders. We have a paradox, then: World Bank institutions have ample supplies of money for purposes for which there is little demand. They are therefore faced with the problem of creating a demand for the commodity they have for sale. Enter the development bureaucrat whose job it is to act as salesmen for the World Bank. They persuade villagers to take loans by creating unrealistic expectations about the benefits to be had from an investment in new productive capital. For villagers with very small holdings there is the added attraction that a significant proportion of the loan is an outright grant. Those who take the bait more often than not find themselves caught in a trap from which there is no escape except to landlessness and poverty. But my data shows that this does not happen with village money lending even though land is used as security. This fact seems to deny western economic logic. How is it that loans for non-productive purposes are able to be repaid while loans for productive capital are not? The reason is that village money
lending is not subject to the laws of interest bearing capital and the state; village money lending is based on quite different principles and these are best grasped by considering an actual example.

Ghasu, a member of the Herdsman caste, lives with his wife and two unmarried sons. He has 5.93 acres of land consisting of three scattered plots: plot A measures 3.30 acres; plot B 1.88 acres; and plot C 0.75 acres. This land is insufficient to support his family and they rely on seasonal day-labouring to balance the house hold budget. Ghasu was forced to take out two loans. The first was a consumption loan for Rs 200 cash and use-rights in half of plot C (0.30 acres) was surrendered to the lender for eight years in exchange. At the end of this period the loan was deemed to be repaid. Ghasu’s second loan was for Rs 1,000 to finance his eldest son’s wedding. Use-rights to plot B was surrendered for five years in exchange. The lender in this case was Lalu, of the Gond Tribe, who owns 33 acres of land which he works on a joint household basis with his three younger brothers.

This example illustrates a number of general points about money lending amongst smallholders. Firstly there is no rigid class difference between borrower and lender. Nevertheless the lender in this case is better off than the borrower. Lalu’s joint household is able to produce just enough rice to meet its consumption needs whereas Ghasu’s household has a rice deficit for about three months of the year. In land ownership terms there are important differences too. But Lalu’s joint household will eventually divide when his younger brothers marry and have children. When the inevitable division takes place what is now a ‘rich’ household of 33 acres will become four ‘poor’ households each with 8 acres of land. Secondly, the borrower needed the money for consumption purposes to cover the costs of his son’s wedding, the usual purposes for which loans are sought by villagers. Thirdly, the contract involves an exchange of money for land rather than money for money. Time is involved in the exchange but the deal is expressed in terms of rent on land rather than interest on money. In other words village money lending contracts of this
type involve no interest. Fourthly, the borrower loses temporary use-rights to the mortgaged property for the duration of the contract. This differs from bank lending where the borrower loses absolute property but only in the event of default in repayments.

The latter two points are related and are the central defining characteristics of village money lending among household proprietors of land parcels. From the perspective of the lender the contract can be analysed as a tenancy agreement. He gets land for which he pays all his rent in advance. The money borrower is therefore acting as a landlord and the money lender as a tenant. In money lending contracts of this type then, the borrower receives rent in advance; he does not pay interest. The cost to the borrower is the loss of the use of a productive asset for the duration of the contract. Money lending contracts in class-based villages are similar in that the principle of interest does not apply. However, as borrowers have no property they are forced to mortgage their labour in exchange for money. From the perspective of the lender—usually the landlord—the contract can be analysed as a wage-labour contract with the difference that all wages are paid in advance. Thus the borrower receives wages in advance, as it were; he does not pay interest. The cost to the borrower is the surrender of his (or her) freedom to the landlord for the duration of the contract; the wage rate struck may also be to the borrower’s disadvantage.

Bank money lending is radically different from village money lending in that it is governed by the principles of interest bearing capital which means that unpaid debt grows at a compound rate. For capitalist farmers whose average rate of profit typically exceeds the rate of interest, repaying institutional loans presents few problems. (But a prolonged drought can bankrupt them as the Australian experience shows.) A capitalist farmer will not take out a loan for productive capital unless the expected profit from the capital is in excess of the interest. For the farmer with a small holding of scattered plots, whose profit rate is zero or negative, exposure to the laws of interest bearing capital is a disaster. Consider the following example.
Budhu was persuaded by a development official to borrow Rs 2,500 in 1973 at 9% interest to build a well. It was repayable at a rate of Rs 389 per year for ten years with a 3% penalty rate of interest. His land—ten acres consisting of five plots—was mortgaged. He was unable to make any payments in 1974 and 1975 due to poor rainfall in those years. In 1976, following a good harvest, he repaid Rs 1,013 in 1977, Rs 855 in 1978, Rs 242 nothing in 1979, and Rs 295 in 1980. The Bank was unhappy with his irregular repayments and auctioned off his land for Rs 3,220 to a wealthy merchant. Despite having paid off Rs 2,405 he still owed Rs 1,479 of his principal. This along with Rs 345 in penalty interest and fees, was deducted from the receipts of Rs 3,220, leaving him with Rs 1,396 cash in hand but landless.

With village money lending the contract is a social relation and an obviously exploitative one when labour is the security. But with institutional money lending the relationship between people is mediated by the mystical form of the compound interest formula, $M' = (1 + r)^n M$, where $r$ is the rate of interest, $n$ the number of years, $M$ the size of the money borrowed today, and $M'$ the size of the money to be repaid. Thus money appears to breed money without the need for one class of people to exploit another. Unpaid debt breeds in this expanded way too. If the debits and credits of a borrower’s account get too far out of balance the rules of the institution are enforced by petty bureaucrats who are just as much the victims of this commodity fetishism as are the borrowers. This was brought home to me whilst I was conducting an interview with a Land Mortgage Bank official in his office in Kondagaon. Our interview was interrupted by the appearance of a client, a middle-aged village woman. Her husband had borrowed Rs 5,000 against seven acres of land some seven years previously. No repayments were made and the debt now stood in excess of Rs 10,000. The woman had come to the office because her husband had run away and she had been served notice that her land, which provided minimal subsistence for her and her children, was to be auctioned to repay the debt. The woman wanted to renegotiate the loan but was unable to offer any collateral. The bank officer, who was not unsympathetic to her
case, patiently explained that there was nothing he could do except enforce the order. After some thirty minutes of heated discussion she was escorted from the office sobbing and in a state of great emotional distress.

Behind the fetishism of interest bearing capital is the awesome power of capital which, in this particular case, assumes the form of the Indian state and the World Bank. They enforce the market discipline and redistribute the property of the poor farmer to the rich. In the case of Budhu they did this by forcing him to sell his land on the market. It should be noted that in the state of Madhya Pradesh a law exists preventing the transfer of land from a person of Tribal status to a non-Tribal person. This restriction does not apply to institutions like the Land Mortgage Bank who are able to sell mortgaged land to recover dues. Thus the Land Mortgage Bank provides the only legal avenue for merchants and capitalist farmers to acquire land from the ‘scheduled tribes’ of Bastar.

The only option facing the villager who borrows from institutions when he runs into trouble is to reschedule the debt by borrowing from a village money lender. The following is an example of a farmer who adopted this strategy.

Garanju is a member of the Gond Tribe and farms seven acres of land with his three unmarried sons. In 1980 he purchased two ploughing buffaloes for Rs 1,000. He paid Rs 400 deposit and borrowed the remaining Rs 600 from the State Bank of India. The buffaloes died not long after he purchased them and he was forced to hire buffaloes from his neighbour to plough his fields. He found himself unable to repay his loan and after three years his debt grew to Rs 755. He borrowed Rs 800 from Haroon Khan in exchange for eight years’ use of two acres of land.

By renegotiating his loan in this way Garanju has traded the permanent loss of some of his land for the temporary loss of it to a neighbour. This option is only open to people who borrow modest amounts. With big loans worth several years purchase of annual income no one would be in a position to take on the debt.

The conclusion that emerges from this comparison is that while village money lending may reproduce economic
inequalities it does not, in general, create landlessness. By giving loans for marriages and consumption it also facilitates the social reproduction of village households. In the case of landless labourers village money lending creates and recreates exploitative bonded labour relations; with poor farmers it converts borrowers into temporary landlords. The money borrowers receive can be likened either to wages or rent in advance; the compound interest formula does not enter into the calculations of the amount of money to be given and received. World Bank lending, on the other hand, usually converts poor farmers into landless labourers. It does this by giving loans only for purposes of capital investment. Borrowers of these loans are charged a market rate of interest which requires the farmers to earn a rate of profit in excess of this if they are to repay their loans. In other words, the logic of interest bearing capital is imposed on poor farmers whose profit rate is zero or negative, which means that they are rarely able to repay their loans. Many lose their land as a consequence, but fortunately only a small number of villagers have taken out Bank loans of this kind. Village money lending is still the most popular form. It is unlikely that this kind of lending will ever be eliminated while ever the system of household proprietorship of land parcels continues to exists. This is because village money lending for the purposes of household reproduction complements, rather than contradicts, bank lending for the purposes of productive investment.

BASTAR MONEY LENDING IN COMPARATIVE PERSPECTIVE

Village money lending in Bastar is not a culturally specific aberration. All the forms of lending identified by Jain in his *Indigenous Banking in India* (1929:55ff) are to be found here. However, when one is generalising care must be made to compare the concrete practices rather than the language. This is because the one term can have two quite different meanings in different parts of the country. For example, Jain defines girwin as the lending of money against gold and silver ornaments (1929:66). In Bastar the cognate term girwi is used to describe something quite different, the lending of money against land of the type discussed above. Jain also discusses
this form of lending which he calls *rahan*. He notes that *rahan* is a common method of lending and that it consists of two types. The first is where land is mortgaged but possession is not given to the mortgagee. The second he calls *usufructuary mortgage* where ‘the borrower makes over a part of his property, which is occupied by the creditor, who receives the profits therefrom as interest, so land as the principal is not repaid.’ Borrowing of this type is called *sudbharna* in Bihar (Rajesh Raj, pers. comm.). The land pledged literally ‘stands in’ (*bharna*) for interest (*sud*). In some cases, Raj adds, the ‘interest’ referred to can be for a different loan altogether. This happens in Bastar too as the case of Garanju above illustrates. The land can also stand in for the total amount of the loan as the cases from Bastar illustrate. Pledge taking of this kind is very common. Bailey (1957:283) reports its existence in Orissa and notes that when ‘A pledges a field to B, A receives a sum of money and B has the use of the land for at least one harvest and for all subsequent years until A repays the money.’ ‘The debt,’ he adds, ‘may last through generations.’ Jacobson (1976:169) reports that villagers in Madhya Pradesh have been engaging in pledges of this kind in order to obtain funds for investment in stone quarries noting that ‘it may jeopardize the income of the landowner for a year or two but does not itself involve the risk of losing the land’. It also can be found it places outside India. Hill (1982:214ff) finds similarity between the systems that operate in South India and Nigeria, noting that village-generated credit is often cheaper and far less exploitative than the urban-based kind. ‘According to medieval custom and law,’ notes Jones (1989:68), ‘a mortgage could be used to raise money, but it meant that the lender took possession of the property mortgaged, promising to return it to the borrower if the loan was repaid. For the lender this was highly advantageous, since he was left in possession of the property, enjoying its fruits without the bother of collecting illegal interest.’

Jain’s ‘usufructuary mortgage’ is an apt term because it suggests that *usance* rather than *interest rate* is the essence of loans of this type. *Usance* is an archaic term but is one, I believe, that needs to be rehabilitated if village money lending is to be understood. *Usance* is not *interest* although the difference is a fine one. Land, for example, has immediate use-
in-exchange for money from the lender’s perspective; from the borrower’s perspective it is the other way around. There is no interest involved here because heterogenous commodities are involved and the temporal nature of this exchange makes it impossible to reduce them to a common measure. One could translate the land use into a money equivalent but money does not have an invariable value over time as we shall see in the following chapters.

The notion of *usance* enables us to grasp the essence of the many forms of village money lending. Take loans in kind for example. A farmer who needs grain for consumption or seed takes it as a loan from a village money lender contracting to repay it up to twice over at harvest time. Thus he is getting the use of grain today in exchange for the non-use of some of tomorrow’s production. The lender, for his part, exchanges the non-use of some grain today for the use of a larger amount tomorrow. The lender receives a mutually agreed gain which has both an absolute qualitative value (so much grain) and a relative quantitative value (two for one). In this case the rate of *usance* (two for one after harvest) implies a rate of interest; its calculation requires the specification of an exact time period before it becomes meaningful. One cannot assume that time is a quantifiable variable in village money transactions. For example the rate of usance is often the same for a loan given six months before harvest as it is for one given six days before harvest. As Polly Hill (1986:88) notes, it is Very often inappropriate for outsiders to think in terms of interest rates, both because borrowing is apt to be timeless (interest rates are never computed) and again, because of the attitude to default. From the creditor’s angle the important question is not how long the debt has been outstanding but the prospects of repayment; as for the debtor, his usual concern is to repay as slowly as possible without incurring his creditor’s final displeasure, and maybe to borrow more when his debt has diminished sufficiently’.

The notion of *usance*, then, raises the question of the politics of temporal relations between people, ie. of *temporality* as a value. Formally, the problem can be stated as follows: the borrower exchanges the use of X today for the non-use of Y tomorrow while the lender exchanges the non-use of X today for the use of Y tomorrow. *Temporality* is the value
that gives X and Y their qualitative and quantitative form. As such it is a value that has its origins in the historically contingent relationship between the lender and the borrower. Temporality, as a reciprocally recognised relationship between lender and borrower, determines the language used to describe the transaction—use? interest? usury?—and values it as good or bad.

*Temporality* is a human value that has assumed a limited number of historical forms. Conceptually it is *territoriality* turned inside out. If rich merchants maintain their internal cohesion by a form of solidarity that binds consanguinity to contiguity by means of the endogamous exchange of mercantile credit, they simultaneously exclude others by means of the extension of credit, be it in the form of credit-sales or money lending at interest. From the perspective of the receiver of the latter, the lender is always an outsider and, more often than not, a hated one who has to be tolerated.

The stereotype of the greedy money lender is as much due to the discontent of elite borrower as it is the subaltern borrower. Shylock, we must not forget, tried to extract his pound of flesh from a rich merchant of Venice. Ben Jonson echoed the common opinion of the time that usurers were ‘base rogues that undo young gentlemen’, a sentiment immortalised in the proverb that ‘Usurers live by the fall of heirs, as swine by the dropping of acorns’ (Jones, 1989:45). Consider the case of Lord Dudley. He succeeded to his title in 1586 when he was twenty years old. He proceeded to buy velvet, silk and other wares appropriate to someone of his station. The mercer sold them on credit at interest against a bond. Later Dudley purchased more wares from the mercer on the same terms. When he was unable to meet the payment the mercer extended further credit but with better assurance. The original debt of £500 now stood at £1000. When he was unable to pay this the mercer took him to court where Dudley was able to escape impoverishment because he was able to show that he was not of age when he entered the contract (Jones, 1989:69).

The idea that money lending is ‘bad’ while banking credit is ‘good’ is a value that must be situated in the context of the development of capitalism in England in the sixteenth and seventeenth centuries and the relationship between theology, law and economy. Jones’s fascinating study of this question
shows that a revolution in values occurred between the 1571 Act Against Usury and the acts that were introduced between then and 1624. Sin was internalised by theologians who were invited to stay out of politics and deal only with individuals, not communities. ‘A result,’ argues Jones (1989:204), ‘was the birth of economics as a distinct system of thought and the establishment of secular criteria for the management of the nation’s economy. It also meant that theology was no longer expected to pronounce on the morality of the communal economy.’ Another result of this emerging value system was the arrival, some 350 years later, of the World Bank in Bastar.

There is no evidence that World Bank type lending is positively valued by the subalterns in Bastar, certainly not by those who have been impoverished by it. Their attitude to non-professional village money lenders, on the other hand, is sometimes positive. To understand this paradox it is necessary to look a little more closely at the status of village money lenders.

In all the examples I have collected, the lender is invariably a relatively wealthy person and often an outsider. The biggest money lender in Minipur village, for example, is a Muslim money lender called Khan who took up residence in a neighbouring village in 1977. He purchased three acres of land and is a small time grain merchant. He ingratiated himself to the village headman of Minipur by lending him Rs 275 so that he could meet some marriage expenses of his son. The headman pledged 1/2 acre of arable for four years as payment of the loan. He has also lent money on contracts like this to other members of the village. Khan’s aim is to become a farmer and to settle in the area. He is eager to obtain community acceptance and the usance quality of his money deals work to the mutual advantage of all concerned. Sita Ram is the next biggest money lender in the village. Like Khan, he is an outsider who is slowly working his way into the village community. He was given permission to purchase some land in the village and to marry a village woman from the Gardener caste. While this marriage gave him a measure of access to the Minipur village community it did not give him access to the much bigger inter-village Gardener caste community, to the contrary, his wife was outcasted for having married him. He has financed a number of other weddings against the security of land which
have been judged ‘fair’ by all concerned. I also have cases of money lending between different castes in the village but none between members of the same caste. No doubt some instances could be found of ‘unfair’ lending of this type but I found none. Furthermore, the uncertain value of the future produce from pledged farmland can never assure the lender of a certain gain. Indeed, the system works because fine grained economic calculation is impossible and obvious gains and losses only apparent in the extreme cases.

The Marwaris, whose wealth makes that of lenders like Khan and Ram seem totally insignificant, never engage in lending of this money-for-land kind. They advance money today in exchange for more money tomorrow against the security of gold and silver jewellery; they also sell on credit to regular customers. Land may be the supreme good for the farmer but not for the merchant. Jewellery is the ideal security because, from the merchant’s perspective, it is the supreme commodity. Indian Jewellery is renowned for the purity of the gold and silver from which it is made. Furthermore, the Bombay prices of these precious metals, as we will see in Chapter VIII, climb steadily at a rate that is independent of world market forces. As such, they constitute the supreme standard of value for a merchant, for no other standard, be it a commodity or paper money, has such an outstanding track record. For the householder, on the other hand, gold and silver jewellery is a valued good not a commodity and is the most valued keepsake after land. (Merchant households value their own jewellery this way too; it is only the keepsakes of others in their possession that is seen as the supreme commodity.) Jewellery is to women as land is to men in India and the distinction between these two goods tells us much about gender relations within the family as Jacobson (1976) has demonstrated. It suffices to reaffirm Jacobson’s observation that ‘the ornamented woman symbolises auspiciousness and prosperity, while a woman naked of jewelry represents poverty and sorrow’ (1976:133). To surrender a keepsake of this kind to a money lender is to place its goodness in jeopardy because it gives the money lender potential rights of alienation in the event of default. This does not happen when land is ceded on a temporary basis to a village money lender. Goods, as we have seen, have an emotive value and the temporary conversion of
goods into money on the part of a borrower always involves shame of some kind. It is this, rather than the absolute size of an implicit rate of interest, that excites the passions of borrowers. What is at stake then is more the politics of prestige than the economics of monetary calculation, although the primacy of the former does not rule out the significance of the latter.

My observations on this type of lending are consistent, in general terms, with the picture given by Jones (1991). He managed to obtain access to the books of two Jain shopkeeper-money lenders in a small town in Rajasthan. He found that credit was only advanced to local customers who were regulars at this store; money lending against silver jewellery, by way of contrast, was mainly made to people from villagers outside the town. ‘It is noticeable,’ he notes (1991:127), that no Jains and no Brahmans within Chandrapur have borrowed money on this basis. To do so would involve ‘loss of face’ for the families in these two communities.’ Customers who want money of this kind can borrow up to 30% of the scrap value of the silver left as security. A rate of Rs 3 per month per Rs 100 is charged. Most of the loans are small short term loans for consumption purposes such as marriage costs, hospital costs, etc. Bad debt on credit sales is a big problem for these shopkeepers. Again, the bad debts are for small amounts but the large number of them add up to a substantial amount of money. The shopkeepers like to lend additional money against jewellery to these people so that they have some power over them. Thus, when a loan is paid off the shopkeeper will refuse to return the security until the customer’s sales account is cleared.

Strategies like this are followed by rich Marwari merchants/money lenders all over India and this, along with their aloofness and obvious wealth, does not endear them to the locals who make a distinction between the calculating strategies of the Marwaris with their usance rates and the friendly practices of ‘insiders’ such as Khan who provide usance without the rates. The elite lenders and the subaltern borrowers are not indifferent to one another; to the contrary, they reciprocally recognise the alienated nature of their relationship by means of mutually agreed contracts. Silent recognition is also made of the imbalance in prestige the
relation implies: the quantitative gain enjoyed by the lender is matched by a qualitative loss for the borrower who receives cash in exchange for shame. As mutually recognised aliens they develop a pragmatic tolerance for each other that may last for generations without major problems. However, in times of insurgency a different reckoning is made and the Marwaris are often singled out for special treatment. As the Deccan Riots Commission observed: ‘where... Brahmans and other castes shared the money lending business with the Marwaris it was usual to find that the latter only were molested’ (quoted in Guha, 1983a:304). Thus in times like this the contradiction between the goods of the subaltern householder and the money of the merchant explodes and temporality, as a value, assumes the ‘supreme’ physical form of a pound of the money lender’s flesh. The rebellious Santals, for example (Guha, 1983a:164), settled their accounts by chopping off the offending limb of a landlord or money lender (‘With those offending fingers you counted your interest and ill-gotten wealth’). Given that corrupt forest guards in Bastar have already felt the force of this logic, one seems justified in predicting that officials in the World Bank’s Land Mortgage Bank will feel it too if their lending policies continue to create landlessness. The World Bank’s money-lending practices may be labelled interest and judged ‘good’ by economists but from the borrowers point of view it is usury. This subaltern valuation corresponds to an ancient definition of usury which held that it ‘occurred only when the lender was guaranteed a profit without regard to the borrower’s risk’ (Jones, 1989:4).

NOTES

1 The Bishop of Bangor used this expression when preaching about the sin of covetousness in 1610. See Jones (1989:153).
2 The equivocation in Deuteronomy (23:19–20), which holds that one can lend to an Other but not a Brother, has been the subject of debate for centuries. See Nelson (1969).
3 Vatuk & Vatuk (1971) describe a secret, no-interest women’s system of private banking. They argue that it is common but that there are few references to it. They also note that the rationale for systems of this type run counter to the explicit ideology of the joint family.
'But whatsoever the matter is, the more that men have been in love with the thing itself, the more have they purposely declined and avoided this name. They will not call it *usurie* lest the word should be offensive, or make the thing odious. But it shall be termed *use* or *usance in exchange*, which are smooth words as oil, never a biting letter in them. Or it shall be called *interest*, or *consideration*, which are civil and mannerly terms, though by that they mean nothing else but plain *usurie*’ (Fenton, 1611:4).

5 Poor people in urban areas who borrow from banks suffer in the same way too it seems. A study of bank loans to poor women in Bombay found that programs targeted for self employed poor women ‘may actually benefit various intermediaries as much (or more than) they benefit the women themselves’ (Everett and Savara, 1984:290).

6 I have restricted myself to a consideration of loans that use land and labour as collateral. Loans involving paddy and jewellery are also very important in agrarian societies (see Jacobson, 1976; Harriss, 1982:188ff). These different kinds of loans, Bailey (1964:113) has noted, are governed by different kinds of behaviour.

7 Transactions of this type have been described by Jacobson (1976: 169, fn. 17) and Bailey (1964). The latter argues that the creditor’s ‘use of the land represents the interest on the sum borrowed’ (1964:111). However, as the computation of interest necessarily involves the transaction of like-for-like over time,—eg., grain for grain or money for money—it seems to me that use of this concept to describe an unlike-for-unlike transaction is inappropriate. Polly Hill argues that it is ‘very often inappropriate for outsiders to think in terms of interest rates, both because borrowing is apt to be timeless (interest rates are never computed) and, again, because of the attitude to default’ (1986:88).

8 Compare Hill: ‘It is mistaken to assume that such borrowing and lending as takes place within a village community necessarily enhances inequality (it may indeed reduce it), or is bound to be “bad” for some other reason’ (1986:83).
CHAPTER VII
Domesticated Money

In the beginning of the world we had the forge and we forged things, we had weaving-looms and we wove our clothes, we had oracle huts where we consulted the oracle, and we had boats from which we caught fish. We had no guns. We had no cowrie money (akwá). If you went to the market you took beans in order to exchange them for sweet potatoes. You exchanged something specific for something else. Then the king brought the cowrie money. What did the king do in order to bring the cowrie money? He caught people and broke their legs and their arms. Then he built a hut in a banana plantation, put the people in it, and fed them bananas until they became big and fat. The king killed the people and he gave orders to his servants to attach strings to their bodies and to throw them into the sea where the cowrie-shells (akwá) lived. When the cowrie-shells started to eat the corpses they pulled them in, collected the shells, and put the live cowries in hot water to kill them. That is how cowrie money came to exist. This cowrie money was white like our maize and we called it ‘white-corn-money’ (akwé-kún-wéé) in order to distinguish it from other forms of money. The French came to break this country before they came to bring their metal-money (gànkwé). The other money of the French is called paper-money (biyéé).

Klikpo Cece, Ayou Hannya, Benin.
COWRIE-SHELL MONEY AND COLONIAL CONQUEST: THE PROBLEM

If the problem of understanding the process by which a commodity acquires value is difficult enough, then the question of the process by which money acquires value is a degree of magnitude more so; and when the money in question is in the form of cowrie-shells, one of the few forms of money that quite literally grows, the problem acquires yet another twist.

But what, precisely, is the problem? It is most emphatically not the hoary old definitional question of whether or not cowries can function as money. This problem has been laid to rest by the meticulous historical work of Hogendorn and Johnson (1986) in their *The Shell Money of the Slave Trade*. Not only used by the slave traders to buy slaves, cowries were also used by the villagers of West Africa as a medium of exchange in their periodic markets. Comparative historical and ethnographic evidence from India and Papua New Guinea suggests that the story that Hogendorn and Johnson tell is not restricted to the particular case of West Africa. This evidence also confirms another important observation by Hogendorn and Johnson: cowries can also be used in bridewealth exchanges, as jewelry, as decorations for clothes, as counters in games, as gifts, and so on.

The problem to be addressed—and here credit must be given to Hogendorn and Johnson for posing it so clearly—is that of explaining the cowrie-shell bubble that occurred in the early stages of the direct colonial conquest of Africa. Put simply the question is this: What is the relationship between the massive import of shells into Africa and the subsequent hyper-inflation and demonetisation of the cowrie? This question, I will show, is a general one. The same phenomenon occurred in India and Papua New Guinea (among other places) in the early phases of colonisation. Although Hogendorn and Johnson do not concern themselves with the general problem, their answer is in very general terms. Like many others who have tackled this issue, they have found the seductive explanatory power of the quantity theory of money too hard to resist. This theory, whose chief exponent these days is the Nobel-prize winning economist, Milton Friedman (1987), not only has academic
authority on its side, it seems to be self-evidently true in the case of the cowrie-shell bubbles. In all three cases hyper-inflation followed a massive increase in the quantity of shells. The evidence for their case seems to be watertight, as I hope to show in the first part of this chapter.

As the myth by Klikpo Cece above suggests, villagers in West Africa have their own story to tell. The central message of this myth is plain and clear: The elders of Ayou Hannya village, as if aware that anthropologists have a tendency to over-interpret myth and thereby to miss its simple message, made a point of telling Elwert (1989:25) that the kings of Dahomey were not their beloved rulers and that the reason for the violence and cruelty of these rulers was their sheer quest for wealth. Elwert notes that behind the symbolic language of Cece’s myth is a very realistic interpretation of the economic history of the kingdom of Dahomey and a treatise on money which differs from that of the king’s; the myth has many other meanings too, argues Elwert, because the thriftiness of mythical language means that myth can work more efficiently than handbooks and dictionaries as a means of storing information and as a means of evoking emotion.

Stories such as Cece’s myth, then, are full of thought-provoking wisdom rather than truth, containing overtones of meaning that resonate sympathetically in the ears of the initiated listener. Although they are not in the form of clearly articulated theories that can be objectively tested, these resonances are not completely esoteric either because the thoughts of an outsider can be stimulated by stories of this kind. When they are situated anthropologically, historically, and geographically, stories like this can be read as archives on the human condition that give figurative expression to unresolved antagonisms. I see in the thoughts of Cece and other people like him the elements of a general criticism of the quantity theory of money. It suggests to me that money is a standard of value created by a state (be it a divine kingship as in Dahomey or an imperial nation-state like France), that it also an instrument of the power of a king over his subjects and an instrument of the power of the imperial state. The theoretical problem that cowrie money poses, then, involves understanding the contradictions among the money-value systems of the imperial state (symbolised in Cece’s myth by
the metal and paper money of the French), the money value system of the indigenous elite (symbolised by the cowrie money ‘caught’ by the king through the sacrifice of his subjects), and the values of the subalterns for whom the things produced and exchanged by the labour of farmers and artisans is valued more highly than the inhuman mercantile dealings of a brutal king and his trading partners from over the seas. This perspective raises the question of the \textit{quality} of money and throws the self-evident truths of the quantity theory of money into doubt as will be seen in the second half of this paper. My starting point is the economic history of the shell money of the West African slave trade.

\section*{THE SHELL MONEY OF THE SLAVE TRADE$^4$}

The trade in shell money began in the fourteenth century and was finished by the 1880s. The structure and volume of trade changed greatly over this period, but its efflorescence was in the era of European mercantile imperialism: the end of the trade coincided with the emergence of capitalist imperialism and the scramble for the territories of Africa, Asia and the Pacific. The Maldives, a 475-mile-long stretch of nineteen atolls some 400 miles due west of Colombo in the Indian Ocean, were the basis of the whole system. Here cowrie shells ($\textit{Cypraea moneta}$), in the form of small live gastropods, are prolific breeders. These shells were harvested and traded to every corner of the globe. West Africa, where the gastropods did not breed, was the ultimate destination for many of the shells, although India, and especially Bengal and Orissa, was another major user of them.

Ecology and economy motivated the commerce in shells. The Maldivians traded shells for rice and other commodities with the Bengalis, who used the shells as currency for petty transactions and other purposes. European merchants, in turn, purchased them from Indian merchants and carried them back to Europe, where they were sold at a profit. Those purchasing the shells in Europe were slave traders who carried them to West Africa as capital to buy slaves. There the shells were absorbed into the West African economies and used for a variety of purposes, the most important of which was as a medium of exchange for small transactions.
The eighteenth century was a prosperous one for the cowrie trade because this was when the Atlantic slave trade was at its peak. The Dutch dominated the cowrie trade until 1750. Thereafter, the proportion of shells traded by the Dutch dropped steadily, falling to zero in 1796 when the Great European War ruined Dutch commerce. The English controlled the trade until 1807, when the abolition of the legitimate slave trade rendered the system unprofitable. Statistics collated by Hogendorn and Johnson (1986:58) reveal that during the period between 1700 and 1790 some 11,436 metric tonnes of shells were shipped to West Africa by the Dutch and English, equivalent to the staggering figure of 10 billion individual shells.

The nineteenth century was one of boom and bust for the international cowrie trade; it was also one of privatisation and fierce competition because the East India Company lost its monopoly in 1813. The abolition of the slave trade caused a temporary slump in the legs of the cowrie trade going between India and Europe and between Europe and Africa. Its revival was brought about by the growth of palm oil exports from West Africa. Great quantities of cowrie shells were needed to buy the palm oil, which was used in Europe as a lubricant to grease the wheels of the emerging capitalist industrial enterprises and as the chief ingredient of soap to clean the grime of newly invented machines from the bodies and clothes of the working classes. The cowrie trade entered an unprecedented expansion in the 1840s. Records were repeatedly broken, and the high levels of production led to concerns about overfishing. In 1840, for example, the British exported some 205 metric tonnes of cowries to West Africa; in 1845 an all-time high of 569 metric tonnes was exported.

The final phase of the shell trade was the period between 1851 and 1869, when five private German and French companies captured the trade and shipped over 35,000 tonnes (14 billion shells) directly to West Africa. This frenzied trade exploded the cowrie bubble, dropping the price of shells dramatically, making trade unprofitable, and stopping shipments. The beginning of this final phase saw the end of the Maldivian cowrie (C. moneta) and the temporary rise of the Zanzibar cowrie (C. annulus), a slightly larger cowrie that
yielded a merchant’s profit of 1,100 percent compared to a meagre 100 percent for the Maldivian cowrie.

The end of the international trade in cowries also marked the virtual end of their domestic circulation in West Africa, although it took some fifty years before they disappeared from circulation completely (Ofonagoro, 1979). Many shells, it seems, were buried underground in hoards, ready to be used again when their value recovered. The Nupe must have thought this day had come when their ethnographer, S.F. Nadel, arrived. He asked to be shown some cowries and was told that they were no longer in use and not available; when he said that he was prepared to pay for them, large baskets full suddenly turned up and he had to do his best not be inundated with them (Nadel, 1942: 310).

Two theoretical questions are posed from this narrative: What principles govern the emergence and explosion of shell bubbles? What are the implications of this for the theory of value in general and the theory of money and the gift in particular? Hogendorn and Johnson have a very definite point of view on both of these questions and it is worth quoting them at length for their position raises a number of general issues:

The cowrie could very well serve as an object lesson in a money and banking class today. Dramatically and convincingly, near the end of its life as a working money it suffered a hyperinflation that demonstrates nicely the wide application of both the Quantity Theory of Money and Gresham’s Law. The Quantity Theory of Irving Fisher states that the stock of money (M) multiplied by the number of times that money is spent each year (velocity, V) must equal the annual value of all transactions, PQ, where Q is the number of transactions and P is the average price level. MV = PQ. When an economy is growing, Q rises and therefore, with V relatively constant, the stock of money M can also rise without affecting the level of prices. But should M expand much more rapidly than Q, the theory predicts the likelihood of rises in P, i.e. inflation. The cowrie currency conforms to the prediction of this theory remarkably well. As long as the small shells from the atolls of the Maldives were the only ones imported to West Africa (true for half a
millenium at least), the limited growth rate in M did not significantly outrun the growth of the domestic economy, so that the value of the cowrie remained relatively stable. But when the East African variety of the cowrie suddenly was poured into West Africa by European traders in the years after 1845...it generated hyperinflation that ultimately destroyed the usefulness of the shell money standard (which by that time was mainly associated with palm-oil trade, and not with slaving). At the same time, Gresham’s Law—‘bad money drives out the good’—was in full operation. The East African shells were much cheaper than the smaller variety produced in the Maldives; wherever they proved acceptable, they were paid out by the importing merchants to the point that the shells from the atolls virtually disappeared in some areas.

The great cowrie inflation was not the only example of a ‘primitive’ money badly depreciated by oversupply; the copper and brass currencies of Africa were much eroded by improved manufacturing techniques in Europe, and similar advances in the fabrication of wampum beads ruined that famous American Indian currency. But the cowrie inflation is best documented, and demonstrates clearly how Fisher’s rule and Gresham’s Law both apply in a world far removed from the coins, paper, and bank deposits for which they were formulated (Hogendorn and Johnson, 1986:3–4).

The implications of this argument for the theory of gift exchange are spelt out in a lengthy footnote in which the West Africans are described as ‘intensely commercial’:

The substantivist school of anthropologists has sometimes written of the cowrie as a ‘special purpose money,’ governed by principles of reciprocity, redistribution, and ritual. It is true that very late in the life of the cowrie currency it did survive for a few more years as a means of making ritual payment. For most of its life, however, any argument that the shells were a traditional special purpose money is untenable (Hogendorn and Johnson, 1986:1, fn.2).
The analysis of Hogendorn and Johnson is one of many studies that have used Fisher’s Rule and Gresham’s Law to explain the end of cowrie currencies in Africa, India, Papua New Guinea (PNG), and other places. But what sets this analysis apart from all others is the fact that it is by far the best documented and most convincing treatment of the subject. Hogendorn and Johnson have introduced the skills of the professional historian into the debate and have combed the archives for data in a way that few others have done.

It is also important to note that Hogendorn and Johnson have identified an important general problem—the phenomenon of the shell bubble in early colonial history—that needs to be explained. Anthropologists have a tendency to problematise difference rather than similarity and are reluctant to accept, for example, that the economic history of PNG has anything in common with West Africa. It is true that there are a great many differences between the early colonial period of the PNG highlands (1930–60) and the slave trade of West Africa, but these differences are defined only by the remarkable similarities between the two cases. The meticulous archival and fieldwork research of Hughes (1977, 1978) establishes beyond any doubt that a shell money bubble developed and exploded in PNG during the period between 1930 and 1960.

Hughes shows, for example, that cowries, both *C. moneta* and *C. annulus*, were traded up into the highlands where they were used extensively for a variety of purposes, including that of a medium of exchange. Other shells traded into the region included the dog whelk (*Nassa*), the goldlip pearl oyster (*Pinctada maxima*), the baler (*Melaoethiopicus*), the green snail (*Turbo marmoratus*), the egg ‘cowrie’ (*Ovula ovum*), the Leopard cone (*Conus Leopardus*) and five others of lesser significance. In the period just prior to colonisation, cowries and dog-whelk shells were the most numerous and widely spread of the eight main kinds of shells and, as a consequence, had the lowest relative value. From the archaeological evidence it is known that shells have been used in the area for at least 6,000 years and possibly longer. Trade in shells in the highlands, then, is of great antiquity; but we know little about it, save that shells were bartered up to the highlands from the north and south coasts without the intervention of professional traders, merchants, or itinerant peddlers. Most of
the supplies of common shells came from the north coast, reflecting, in part, the natural distribution of the species. However, there were apparently no specialist centres of the Maldivian-type. Australian gold miners first visiting the area in the 1930s discovered that they could use the shells to hire workers and buy food. These transactions brought about many radical changes to the volume and structure of the indigenous exchange system, introducing a merchant capital component into the system because the miners bought shells cheap on the coast, brought them to the highlands by air freight, and sold them dear in exchange for the commodities they wanted. The miners used cowries to purchase vegetable foods, sex, and daily labour and purchased bigger items with the more valuable shells where they were current. Needless to say, the trade in shells boomed, and the quantity of shells available in the highlands multiplied at a geometric rate. Between the establishment of the Mount Hagen base in 1933 and 1940 up to ten million shells were imported into the highlands. The war interrupted the flow of shells, but after the war they were flown in in even greater numbers. Complete statistics are not available but some idea of the magnitude of the trade can be gleaned from the fact that in the six month period September 1952 and February 1953 some 20 million dog-whelk shells were distributed from the Goroka base. This shell bubble, like the one in Africa, burst at different rates in different places and with differing local implications. They ceased to be used by the white colonisers after the 1960s to buy food and labour but today, like the African and Indian cowries, can still be found in some places. The evidence from India, which I shall make no attempt to summarise here, is yet a third variation on this general theme. The examples can be multiplied, and credit must be given to Hogendorn and Johnson for identifying this important general theme in the history of the use of shell money.

Another important point that Hogendorn and Johnson establish is that anthropologists are amateurs when it comes to the craft of history. By and large, the theories of the anthropologists who have tried to explain the historical relationship between metallic monies and shell monies in terms of novel anthropological theories have not performed well. These theories are logically satisfactory but historically
unsatisfactory. Consider the case of Bohannan (1959), whose influential ‘spheres of exchange’ theory, has been the subject of a telling critique by the historian, D.C. Dorward (1976).

Bohannan (1959:124) notes that if ‘we take no more than three major money uses—payment, standard and means of exchange—we find that in many primitive societies as well as in some ancient empires, one object may serve one money use while another object serves another money use’. Bohannan characterises these economies as ‘multi-centric’ and the ‘modern’ European one as ‘uni-centric’; these economies, he argues, use ‘special-purpose money’ and ‘general-purpose money’ respectively. The Tiv economy of West Africa, argues Bohannan, contained three spheres. The first sphere was associated with subsistence and was governed by the ‘morality of the free and uncontrolled market’ (1959:125). The second sphere was a prestige sphere in no way associated with markets. Only certain ritual objects—slaves, cattle, tugudu cloth, brass rods—circulated within this sphere. The third sphere was supreme and contained only one item: rights in human beings other than slaves, particularly women. Its values were expressed in terms of kinship and marriage. With the spread of the world market and the introduction of general-purpose money, argues Bohannan, the multi-centric economy of the Tiv was flattened and transformed into a uni-centric one. Another almost identical version of this theory, I was surprised to discover recently, was independently invented by Keynes (1982) in the late 1920s but not published until 1982. Keynes developed his theory from a study of the ancient Greek empire and expressed his theory in the language of multiple ‘standards of value’ rather than multiple ‘spheres of exchange’.

The substance of Dorward’s critique of Bohannan is that he did not have access to, or was unaware of, the relevant documentation and that he relied too heavily on oral evidence. Dorward proceeds to present a wealth of new evidence that is damaging to Bohannan’s case. He shows, for example, that tugudu cloth was a general-purpose, not a special-purpose, form of money and that, because of his preoccupation with the subsistence economy, Bohannan failed to grasp the significance of the craft industry and the web of commerce in which the Tiv were caught up. Dorward’s alternative explanation is a particular illustration of the general theme
developed by Hogendorn and Johnson: When the colonial government began to demand payment of taxes in their own metallic currencies Gresham’s Law came into operation, and bad money (European coinage) began driving out good money (Tiv cloth currency) (Dorward, 1976:590).

The answer to the question posed above—what was the impact of European coinage on non-European economies using cowries?— seems to be obvious in the light of the latest historical evidence: Cowries disappeared due to the operation of Fisher’s Rule (the quantity theory of money) and Gresham’s Law. This conclusion would not surprise Milton Friedman, who has won a Nobel prize for his theoretical contributions to the quantity theory of money. Given the superlative academic prestige of this theory and the overwhelming weight of the supporting historical evidence, it seems ridiculous to suggest that this theory is obviously wrong. However, as I suggested in the introduction above, there is a subalternate point of view which is also obviously right. Before I can present this opposing view, a brief theoretical interlude on the question of power is necessary.

INTERLUDE: THE LOGIC OF POWER

The thought of people such as Klipko Cece, whose version of the cowrie-shell trade in West Africa heads this chapter, is a particular illustration what of Guha (1983a) calls the ‘logic of a subaltern consciousness’. This is a form of political consciousness, a rival cognition that questions the violence and cruelty of unloved rulers. When Cece’s story is read as a political tale of monetary conquest and as one that views this history from below, it poses the question of the political status of the quantity theory of money. Is this a theory which describes and interprets events from above, from below, or from afar? The evidence would seem to favour the latter view. The quantity theory has all the attributes of an objective scientific theory. Hogendorn and Johnson’s approach, for example, is that of disinterested social scientists. They offer a compelling general explanation for the West African cowrie-shell bubble that applies to the case of India and PNG, and this explanation cannot be linked in any simple-minded way with the interests of the slave traders and the colonial state.
Nevertheless, the fact that conquest involves the exercise of raw power does raise the question of the explanatory adequacy of a theory of monetary conquest that abstracts from power relations and makes no attempt to give the native point of view. Getting access to the native point of view poses special problems for the historian because such things are not the stuff of which archives are made. But Guha’s method of inferring the voice of the Indian peasant from the language of the elite opens up new avenues of research for the historian and anthropologist, and his myth-as-archive thesis is an invitation for anthropologists to look anew at the content of many a myth. This is what I have tried to do with the myth by Cece, a member of the Ayizo people, who were at one time sold as slaves and who were, in another period, forced to serve without compensation in the king’s slave-raiding army. This story acquires a new saliency when seen in the light of some evidence from Melanesia. Here, European conquest is a relatively recent event, and ethnographers have been able to record the memories of the people involved. These data are fragmentary and, by themselves, of limited use. However, if this evidence from PNG is seen in the comparative light of Cece’s tale and located in the context of a theory of power that identifies and inverts the central assumptions of the quantity theory, then a subalternate theory can be constructed by teasing out the generalisations that dwell in every specific instance. Such an exercise must, of necessity, be based on inference; and the conclusions, questionable. However, my aim is not to produce a theory that replaces the quantity theory but, rather, to produce an argument that can stand beside it and raise doubts about its objectivity and explanatory adequacy.

My starting point is the theory of power developed by Guha (1989:229ff). Power, notes Guha, is a general relation of domination (D) and subordination (S). In its most brutal form, power is a relation of killer to killed, as Cece’s myth illustrates. The logic of power is such that, once one side of the relation is identified, the other follows as a logical consequence. This oppositional logic is that of privation rather than axiomatic contradiction: black versus white rather than black versus non-black, to use the analogous logic of colour. This logic is perfectly general, but the actual history of
conquest is the outcome of an interplay between the D/S relation and its constituent elements—coercion, persuasion, collaboration, and resistance—which imply each other contingently. It follows, therefore, that the black-and-white contrast between D and S defines a grey area whose limits are set by the antagonistic contradiction between coercion and resistance at one extreme and the non-antagonistic contradiction between persuasion and collaboration at the other. The history of conquest, to pursue the colour metaphor further, gives this general conception of power its unique coloration. Here the primary colours correspond to the political culture of the conquerors and are opposed to the secondaries, representing the culture of the colonised. These primary colours create contrasting hues which complement and harmonise beautifully here and clash and contrast in an ugly way there. Every colonial encounter is a unique creation of these constituent elements. In colonial India, for example, British liberal political culture was expressed in an idiom defined by the terms Order, Improvement, Obedience, and Rightful Dissent corresponding to Coercion, Persuasion, Collaboration, and Resistance respectively. The Indian idiom, derived from its precolonial, semi-feudal culture, was expressed in the language of Danda, Dharma, Bhakti, and Dharmic Protest. Thus, the conquest of India must be understood not as a simple opposition of D to S but in terms of a matrix of constituent elements of the following kind.

<table>
<thead>
<tr>
<th>Power in general</th>
<th>Constituent elements of power in general</th>
<th>British paradigm of power</th>
<th>Indian paradigm of power</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domination</td>
<td>Coercion</td>
<td>Order</td>
<td>Danda</td>
</tr>
<tr>
<td></td>
<td>Persuasion</td>
<td>Improvement</td>
<td>Dharma</td>
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<tr>
<td>Subordination</td>
<td>Collaboration</td>
<td>Obedience</td>
<td>Bhakti</td>
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<tr>
<td></td>
<td>Resistance</td>
<td>Rightful Dissent</td>
<td>Dharmic Protest</td>
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</tbody>
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Guha, the historian, uses this matrix in much the same way that the artist uses the logic of the colour cube to think about paint when mixing and applying them to the canvas. Just as the logic of the colour cube reveals the elementary oppositions
behind the complex phenomenon of colour, this matrix helps one grasp the phenomenon of the British conquest of India in all its simple complexity. But just as knowledge of the logic of the colour cube does not make one an artist, knowledge of this theory of power does not make an historian. Thus, Guha’s theory of power is not a model that can be mechanically applied. Rather, it serves to focus one’s attention on the contradictions and paradoxes of colonialism and to pose questions that are derived from the D/S relation. To give some examples noted by Guha (1989:272): Why was a democratic Britain happy to preside over a state without citizenship? Why was a vision of Improvement on capitalist lines implemented by means of a neo-feudal system of property? Why, on the side of the indigenous elite, was the leadership of the bourgeoisie resolute in its defence of landlordism? Why, on the side of the subaltern, was the peasant rebel’s vision of God a white man who writes like a court clerk? For Guha these questions are the offspring of one central paradox, the coexistence of two paradigms as the determinants of political culture; for him ‘the question that calls for an answer is: why two paradigms and not just one?’ (1989:272).

A SUBALTERNATE QUALITY THEORY OF MONEY

The implication of Guha’s theory of power is that, whatever the merits the quantity theory of money has in explaining the impact of coins on economies using cowries, another perspective exists. As a starting point it is necessary to adopt the temporary working hypothesis that the quantity theory of money is yet another form of bourgeois knowledge, that it is elitist in Guha’s sense of the term. The legitimacy of associating the quantity theory of money with a superaltern imperial idiom can then be tested by inverting the central tenets of the theory and by grounding the resultant propositions historically and comparatively.

The existence of a superalternate quantity theory of money, \( MV = PQ \), in which money prices are held to be determined by the supply of money when velocity is constant, presupposes the existence of a subalternate quality theory of money where money prices are determined by the demand for money when
velocity is constant. The basic idea here is extremely simple; the only difficulty lies in the habits of thought that govern everyday thinking about money, one of the most used and least understood symbols ever invented by Homosapiens. A simple example can clarify the point I want to make. Suppose a consumer buys bread to the value of $10 from a baker and that the baker uses the same $10 note to buy flour from a miller. In this case, the quantity of money is ten dollars ($10), the velocity of money is two ($V = 2$) and the total value of transactions is $20 (PQ = $20). Substituting these values in the quantity equation, $MV = PQ$, gives $10 \times 2 = $20. The next step is to conceive of money ($M$) as a commodity with its own price (quality) and quantity. In this case we have:

$$M = \text{price of money} \times \text{quantity of money}.$$ 

But what meaning can we give to a notion like ‘the price of money’. In this example the price of money must be equal to one (1). This is because money conceived of as a commodity is $10 and the quantity of money is also $10 which means that the price of money must be one ($M = 10 = 1 \times 10$). The price of money, then, is another way of talking about what is called the standard of value. For money to perform this function efficiently the standard must be kept constant. But whose standard is to do the measuring, how is it to be kept constant, and what are the implications of all of this? An analysis of the following truncated version of Cece’s myth can help us answer this question.

We had no cowrie money. If you went to the market you took beans in order to exchange them for sweet potatoes. You exchanged something specific for something else. Then the king brought the cowrie money [by selling slaves to overseas merchants]... The French came to break this country before they came to bring their metal-money.

We had no cowrie money. If you went to the market you took beans in order to exchange them for sweet potatoes. You exchanged something specific for something else. Prior to the existence of cowrie money there was no money standard: One commodity (C), such as beans, was exchanged for another commodity (C), such as sweet potatoes, and indigenous
standards of weights and measures provided the means by which the exchange-value of one commodity was measured in terms of the other. Marx (1867: Ch. 1) called this exchange of one commodity for another the ‘the relative form of value’ and gave it the general symbolic form C-C. Suppose, for the sake of exposition, the standard was weight and the unit was kilograms. In this case prices would assume the form of, say, 1 kg rice equals 5 kgs sweet potatoes. The ethnographic reality was no doubt more complicated. If my fieldwork experience in India is anything to go by, it probably involved mixed standards of volume such as, one tin of rice of this size equals one basket of sweet potatoes of that size, in which the sizes of the ‘standard’ tin and the basket varied from market to market and over time. Exchange-values of the C-C form are implicit in any market and are revealed by lifting away the ‘veil’ of money. The process by which these relative values are established is the most controversial subject in the history of political economy, but, as the full version of Cece’s myth suggests, labour and technology must obviously be central to any explanation. Neither the quantity of money nor its quality has a role to play in the determination of the exchange values of commodities.

Then the king brought the cowrie money. Money, as Cece quite rightly suggests, is the creation of kings; it is their standard of value. Marx (1867: Ch. 3), by contrast, assumes ‘for the sake of simplicity, gold as the money commodity’. This counterfactual assumption has given birth to the idea that there is such a thing as a commodity money that can exist independently of the state. The historical fact is, however, that kings created money by fixing the prices of special commodities such as gold, silver and cowrie shells, or by placing a stamp on a piece of metal or paper. This act of state power creates a new standard of money value which the agents of the state are employed to maintain. The result in Dahomey was prices in the form of, say, one tin of rice = 3 kan (string) of cowries, in which the kan was the standard required by a law of the king to contain 40 cowries on a threaded string. In Whydah, the official whose responsibility it was to ensure that this and other regulations were kept was called the ‘Captain of the Market’ (Law 1991:51). Formally, this standard has the following value form:
This standard was also the basis for higher groupings: five kan made one afo (‘foot’) and twenty made one degba (basket). Standards like this are the sign that money is an instrument of state power because they provide a fixed standard for measuring the value of all commodities and a means of levying of taxes. The money veil that is thrown over commodities, then, is a form of state power that varies from place to place and time to time: Despite the positions of quantity theorists, money is never neutral. In this particular case the veil of cowrie money masked a brutal mercantile power that profited from the purchase and sale of human beings. The imperial monies of this time, such as the pound sterling, did much the same thing but on a much grander scale. The link between the two was established by means of such international standards as in 16,000 cowries equals one ounce gold equals four pounds sterling which the Dahomey state struggled to maintain throughout the eighteenth century.

The French came to break this country before they came to bring their metal-money. Subordinate states are always subjected to the will of the dominant state; and, when the mercantile imperialism of the European states gave way to capitalist imperialism, the money standards changed as a consequence. First comes the imperialist conquest of the kingdom, which breaks the power of the king in an act of brute military force. New monetary standards follow. Prices now are required to assume the form, say, one kg rice equals two French francs and taxes are required to be paid in this new standard. The price of the French franc is now set at unity in those countries colonised by the French; and cowries are demonetized, which is another way of saying that the price of cowrie money falls to zero. But the demonetisation of the cowrie does not happen over night. Rival standards of value are at stake. This is a political struggle between the citizens of the old state, who have their wealth stored in the form of cowrie money, and the new rulers. The citizens who hold their wealth in the form of cowrie money have much to lose and fight it out. As the imperial state gradually assumes control the demand for cowrie money falls because it is no longer legal tender. As this happens, sellers of commodities begin to

\[ kan = \text{price of cowries} \times \text{quantity of cowries} = 1 \times 40. \]
demand payment in the new standard of value; buyers of these commodities who only have supplies of the old standard will be forced to offer increased quantities of the old standard if they are to persuade the sellers to accept it as a means of payment. This brings about a rise in prices in terms of the old standard of value (that is, cowrie money). Thus, it is this fall in the demand for cowrie money, and not an increase in their quantity, as the quantity theory of money would have it, that is responsible for the rise in the absolute level of cowrie money prices.

This, in brief, is the political economy of the subalternate quality theory of money. Formally speaking, it means that the old quantity equation needs to be rewritten in a new qualitative form as \( SMV = PQ \) where \( S \), the standard of value of the ruling state, is equal to one. The establishment of standards of significant value is the result of a struggle for prestige, and the raising of a new standard, like the raising of a new flag, is an expression of the political significance of the victor. In other words, the equation \( S = 1 \) is a symbol of order; while the existence of multiple standards of subordinated quality represents disorder, or, to be more precise, a challenge to the order imposed by the ruling state. As this exposition of my myth-inspired political approach to the symbolism of money is terse and somewhat unconventional, I will now restate it in the more familiar academic language of semiotics in an attempt to persuade the sceptical reader of its obviousness as against the obviousness of the quantity theory.

The expression ‘quality of money’ refers to the value of money as a signifier, and to understand what this means, it is necessary to consider the iconic, indexical, and symbolic meaning of money. This is a vast topic, and I shall limit myself to a brief consideration of the symbolic and indexical issues which are pertinent to my discussion. The word symbol’, a high school textbook on poetry reminds us, ‘is related to the Greek word symbolon, which was a half-coin carried away by each of the two parties to an agreement as a pledge of their good faith. A symbol, therefore, is like half a coin—it is an object; the other half of the coin is the idea it represents. When a person understands the symbol the two parts come together and the meaning is passed on’ (Boagey, 1977:40). This simple formulation of the notion of a symbol enables an equally
simple question to be posed: If metallic coins are one-half of a material object, then what is the other half and what is the nature of the invisible chain that binds them? The answer to the first part of the question is cowrie shells and bullion. As for the second part, the invisible chain that has bound these objects together in different times and places has been the power of various states to maintain fixed rates of exchange between these objects for long periods of time. This is because gold, silver and cowries historically have defined the standard of value by which state-issued money is measured. In other words, the price of money has historically been defined in terms of gold, silver and cowries. Further, the spatiotemporal dimensions of the fixed rate of exchange of metallic money is an index of the coercive power of the state. Herein lies the indexical significance of money.

Consider the facts. As Law (1991:176) notes:

The prime cost of cowries in Europe varied considerably, but on the Slave Coast they had a fixed local or ‘trade’ value:...the grand cabess of 4,000 cowries was at first valued at 25s. ‘trade’, but in the mid-1720s this valuation was lowered to £1 ‘trade’. The ‘ounce trade’, equivalent to £4 ‘trade’, was therefore valued at 4 grand cabess, or 16,000 cowries.

Given the fixed price of gold established by the British of approximately four pounds per ounce, this gives the international standard mentioned above of 16,000 cowries equals one ounce of gold equals four pounds sterling. Polanyi (1968), who seems to have misinterpreted the data on this rate and exaggerated the success the state had in maintaining its fixity over a long period, makes the important observation that the ‘stability of gold in terms of cowries became the absolute requirement of Dahomey’s overlordship’. To extend his argument, one can note that the stability of gold in terms of the Pound sterling was an absolute requirement of Britain’s imperial over-lordship. In other words, the fixing of the London price of gold at £3.17.10½d was an index of the imperial power of the British state. The price of gold was set at this rate by Isaac Newton when he was director of the Mint in the 1690s and continued unchanged, save for a few hiccups.
During the Napoleonic war period, to the First World War. Britain was the only country that maintained a fixed price of money in terms of gold for this period. This fact must be seen in the light of another: From 1934 to 1971 the price of United States (U.S.) money was fixed at $35 per ounce of gold; the United States was the only country in the world able to maintain a constant price of money in terms of gold for this period. This index is a measure of U.S. imperial power just as the declining value of the dollar relative to gold after 1971 is an index of the decline in U.S. imperial power.

States maintain their control over money by forbidding their citizens to handle gold, the supreme standard. Thus, the U.S. government made it illegal for its citizens to hold gold for most of the period when the price of gold was fixed; likewise, in Dahomey, ‘gold trade was also a royal monopoly, the purchase of gold by anyone other than the king being a capital offence’ (Law, 1991:308). It is possible to debate the significance of the particular dates defined above, but the general point that a constant price (or quality) of money is an index of the dominance of an imperialist state is a difficult proposition to deny. The quality of money, then, is like the mercury in a doctor’s thermometer: If the reading is constant at 98.4 degrees Fahrenheit then the body is in good order; but if it starts to rise over the 100 mark, then it indicates trouble, the monetary equivalent of which is debasement of the currency, an index of declining state power. Some ultra-right wing economists have failed to grasp the significance of this and mistakenly believe that a return to the gold standard will enable the U.S. to recover some of its lost power. The medical equivalent of this is the doctor who believes that the temperature of a patient can be brought down by plunging the thermometer into a glass of cold water.

Monetary standards of value, then, are political standards of value: They express the values of the dominant powers. In this respect they differ from standards of weight and measure. Today, for example, the true or invariable metre is defined as ‘a length equal to 1,650,763.73 wavelengths of the orange light emitted by the Krypton atom of mass 86 in vacuo’ (Kula, 1986: 81). This definition, introduced in 1961, involved a complete break with the past in that a scientific idea was substituted for a physical object located in a carefully controlled
environment. In the European middle ages, for example, standards were cut in stone or cast in heavy metal and displayed in public places; over time, with the need for ever greater precision in the definition of these standards, the objects were stored away in ever more artificially controlled environments until, in 1961, they disappeared altogether. Monetary standards have had a similar history: Gold has replaced silver, copper, cowries, and a host of other standards; but attempts to replace gold with a theoretical idea have been a signal failure. The result is that today gold and the U.S. dollar remain the principal standards of value for world commerce despite the best attempts of economists to emulate the physicists. The fact is, of course, that we will never succeed in eliminating material standards of money. This is because monetary standards are signifiers of political relations between people, whereas standards of weight and measure signify physical relations between objects. Thus, for as long as there is coercion, there will always be resistance, and the subordinated will never trust the motives of the elite. The attachment to gold,’ as Rist (1938:103) has noted, ‘is one aspect of the eternal struggle between individuals and the state, the former anxious to protect himself against the hazards of the future, the latter anxious to use money as an instrument of its power to keep for itself the monopoly thereof.’

Consider, now, the explanatory adequacy of this subalternate quality theory of money. The first point is that the quality theory of money equation $SMV = PQ$ has the advantage that it combines Fisher’s Rule and Gresham’s Law into one new quality of money equation. In other words, it is superior to the quantity theory under the Ockham’s Razor principle of explanatory parsimony. The second point is that the equation has to be modified to take account of the particular situation found in colonised countries such as West Africa, India, and Melanesia. What we had in these countries in the early colonial period was a situation of monetary and political disorder brought about by imperialist conquest, or, to be more precise, a transition from one system of political order to another. For quantity theorists like Hogendorn and Johnson and others, these political factors are regarded as being of no significance. (This is rightly called Economics and not Political Economy.\textsuperscript{16})

The quality theory, on the other hand, raises the possibility
that the new order being established might be of negative significance to, say, the West Africans who were being enslaved. Could it be that the particular standard adopted by the King of Dahomey (16,000 cowries equals one ounce of gold equals four pounds sterling) signified an order that the slaves wanted to disrupt? Could it be that some of the subordinated peoples struggled to get other standards accepted?

Expressed in this way the problem is not one of explaining, say, how bad money drives out good, a theory which is concerned with quantitative changes to a standard which is qualitatively the same, but how one standard drives out another of a completely different quality. This requires a further change to the quality of money equation \( SMV = PQ \): The variable \( S \) must now be given a subscript according to its position on the power tetrad. Thus, \( S_d \) signifies the dominant standard, and \( S_s \) the subordinate standard. The latter term acquires additional superscripts according to the multiplicity of standards in existence. These matters are empirical questions, but, at a minimum, it will include two distinct subordinated standards: those of the indigenous elite and those of the subalterns.

With these modifications to the formula it is clear that the question of standards of value is a struggle for prestige, a question of politics. In other words, it is yet another variation on the general theme of resistance that Guha (1983a) has proposed. In order to illustrate this point the following lengthy quote from the autobiography of a Solomon Islander about a tax collection episode is justified:

When the tax was collected, Basiana had given four shillings to Mr. Bell instead of five. Mr. Bell had said, ‘No, you have to pay five shillings—that is the law!’ Basiana had said ‘Five shillings are impossible for me. I’m a man from the bush and I haven’t gone to a plantation—where could I earn a fifth shilling? I’ll give you an important valuable instead of the five shillings.’ Mr. Bell refused: ‘No. You go back this afternoon and look around for a fifth shilling. Then you bring it back. You have to pay the tax tomorrow’. So Basiana climbed the hill, thinking to himself. He went all the way up to the bush, to his own place, high in the mountains at Gounaile.
When he got there, he went to his men’s house and got his crescent pearl shell: a sacred chest pendant inherited from his ancestors, and consecrated to them. At first he thought he might trade that dafi for someone’s shilling. But then his mind turned another way. He was really angry. He took that dafi, consecrated to his ancestor, and smashed it to pieces. He took one of the pieces from the smashed pearl shell and began to grind it down. All night long, into the next day, he ground and ground and ground it down, until at dawn it was the same size and shape as a shilling piece. So he had those four shillings, four pieces of money, and his fifth was that piece of dafi. At dawn he went down to Gee’abe, where Mr. Bell had had the tax house built. He went to Mr. Bell and put the four shillings and the piece of shell down on the table in front of him. ‘Mr. Bell, that one shilling was impossible for me. But this is my own shilling, one I ground down. You want money with the head of your king on it. But this shilling I ground for you is consecrated to my ancestor; my shilling has been passed down from my ancient ancestor. You have to accept it! You can’t refuse it!’

Mr. Bell couldn’t believe it. ‘Oh, you bastard. Don’t you do that again! I want five real shillings. Not a piece of seashell like this.’ This isn’t just an ordinary shell. It’s just the same size and shape as those of yours. But yours have your king on them, and mine has my ancestor on it. This is my fifth shilling!’

‘It’s all right for this time, but don’t you do that again. Next time, I’ll put you in jail.’ Basiana was very angry about that. ‘I’ve broken up that important dafi passed down by my ancestors, and Mr. Bell doesn’t even think it’s worth anything’ (Fifi’i, 1989:7).

From the quantity theorist’s perspective, the substitution of one standard of value for another in the colonial context appears as the workings of objective economic laws; but from the subjective perspective of someone like Basiana such a theory is manifest nonsense. The other claim of the quantity theorists—that the cowrie shells were driven out because of excess supply—is also questionable from a quality of money perspective. Pax Britannica imposed its coinage in taxes be
paid in terms of coins of the realm instead of cowries. This, Africa, India, and Melanesia by the coercive act of demanding that not surprisingly, led to an excess supply of cowries as the result of the fall in the demand for them.

Dorward (1976:590) noted that the colonial governments in West Africa demanded payment of tax in their own metallic money but argued that this set Gresham’s Law into operation because ‘bad money (European coinage) began driving out good money (Tiv cloth currency)’. But Dorward has failed to understand this law because good money and bad money are relative valuations of the same standard of value, not comparisons of different standards. Thus if a good silver coin was one in which the face value of the coin and its intrinsic metal content were in agreement, a bad silver coin was one in which the metallic content fell below the face value. For example if one silver coin marked one pound contained an ounce of silver and another contained only half an ounce, then the former was called good money and the latter bad money. If this law operated in West Africa, it would have to be shown, for example, that a kan consisting of a regulation 40 cowrie shells was ousted by a kan consisting of a number of shells less than 40. There is no evidence to show that this is what happened in West Africa (or India or PNG).

One Indian historian who has understood the politics of the demise of cowries is De, who notes that ‘the abnormal depreciation in the value of the cowries in the nineteenth century was mainly due to the fact that under the British rule the cowries were not accepted for payment of revenue; consequently the demand for it in the market grew less, and there was a proportionate fall in its price’ (De, 1952a:10). In other words, an imperial standard was imposed by force, meaning that the subordinated standard, cowries in this case, lost its value. The British action was unique in the history of imperialist conquest of India: Previous Imperial powers had, it seems, accepted cowries as legal tender. This fact caused great hardship for all those who used cowries in India at the time. The policy was vigorously opposed by moneyed men and landlords who profited greatly from the traffic in cowries. In Orissa the Oriya Paiks, soldiers of the Raja of Khurda, rose in open rebellion against the British government in March 1817, about fourteen years after the British conquest. This rebellion
was brutally suppressed by the British by October of the same year (De, 1952b). This fact is sufficient to belie the claim that the cowrie is a humble currency, the coinage of the masses.\textsuperscript{19} The cowrie can be, and has been, a standard of significant value to landlords, moneylenders, slave traders, and merchant capitalists throughout history. The fact is that cowries, dollars, gold, and so forth are mere objects; their natural properties provide no clue as to their iconic, indexical, or symbolic significance. What must be comprehended are the invisible chains that bind these objects together: If they are comprehended, then the symbolic meaning is revealed; if not, they remain mere objects. Many historians and economists have failed to understand the symbolism of money, with the result that their theories become apolitical and objectivist.

Anthropologists, on the other hand, ever alert to the importance of the iconic and symbolic significance of money, sometimes make the most elementary mistakes and fail to realise that cowries can be money symbols. For example, in the 1940s a great debate waged in the pages of \textit{Man} concerning the iconic significance of the cowrie. On the one side were the ‘horizontalists’ who argued that the cowrie was ‘obviously’ a charm against the evil eye; on the other side were the ‘verticalists’ who maintained that the cowrie represented the human vulva and was used as a fertility charm. According to my Bengali informant (Ranajit Guha) some of the people who actually used them saw things differently: Parents put cowries around the necks of their new-born children rather than gold, so that the evil spirits would be fooled into thinking that the children had a low value. In other words, the iconic value of cowries to Bengalis was derived from their use as money symbols and not as objects which conjure up, in the anthropological imagination, likeness to various parts of the body. Thus, whereas some economists have failed to realise that money is a symbol, some anthropologists have failed to realise that cowries, as a money symbol, can have iconographic significance.\textsuperscript{20}

The subalternate quality theory of money calls for a reassessment of Bohannan’s theory of spheres of exchange and Keynes’s theory of multiple standards of value. These theories, it was seen above, were found wanting by Hogendorn and Johnson and by Dorward. But the theories of Bohannan and
Keynes are significant contributions to the literature and a great improvement on the quantity theory approach. Indeed, aspects of Keynes’s theory of multiple standards are consistent with the quality theory approach developed here. The problem with Bohannan’s and Keynes’s approach is that it abstracts from power. Keynes’ (1982:259) idea that one standard is replaced by another through ‘the normal progress of adoration’ is to give objects a life of their own. There is no natural tendency for metallic standards to oust others (or for general purpose monies to oust special purpose monies), rather, there is a cultural tendency for those with power to impose their standards of value on others with different standards. It is a matter of the cultural logic of power rather than of the natural power of logic.

CREDIT MONEY AND CONQUEST

In order to limit the scope of this book I have arbitrarily excluded so-called ‘credit money’ from my discussion. However a brief discussion of this topic is necessary because the question arises as to the applicability of the forgoing argument to ‘credit money’.

Credit money, or ‘negotiable instrument’ as it is more correctly termed, comes in a variety of forms but they all originate in debt, are all means of delayed payment. The different forms are distinguished by asking ‘Who?’ ‘What?’ and ‘When?’ The answer to the ‘Who?’ question gives the parties to the contract, the answer to ‘What?’ gives the quantity and quality of money involved, and the answer to ‘When?’ gives the duration of the instrument. A discussion of three basic forms—promissory notes, bills of exchange, and cheques—is sufficient to illustrate these general points.

In a promissory note the maker is the debtor who promises to another person, the payee, a certain sum of money at some future time. Here is an actual example from nineteenth century colonial Australia (Butlin, 1953:64):

Sydney, September 1, 1812.

Ann Marsh
I Promise to Pay the Bearer the sum of Two shillings and Six pence, sterling, on demand, 2s. 6d.

(signed Ann Marsh)

In this case the debtor is Ann Marsh and the payee is an unidentified bearer. The money involved here is 2s. 6d. sterling. The ‘sterling’ specifies the quality of money. This fact, as we shall see below, is highly significant because the word ‘sterling’ had a very special meaning in early nineteenth century Australia. This note has unlimited duration because no future time is specified. Promissory notes like this can pass from hand to hand until such time as the bearer presents it to Ann Marsh to collect the 2s. 6d sterling.

In a bill of exchange the debtor is the drawee who accepts the drawer’s (creditor’s) demand to pay a third person a certain sum of money at some future time. In India these are called hundi and the following is an example (from Jain, 1929:77):

To the pleasant and prosperous town Bombay the abode of merit therein to brother Mann Lal Karodi Mal written from Bombay by Ram Prasad Uttam Chand whose greetings you may be pleased to read. Further a hundi for R. 500, in words five hundred, twice of rupees two hundred and fifty, is drawn upon you in favour of Mool Chand Kesari Mal on Chait Sudi 12. Sixty-one days after date you will please pay the amount thereof in current coin to the presenter after ascertaining his respectability, title and address.

Hundi written on Chait Sudi 12, Samvat 1983.

Here the drawer, Ram Prasad Uttam Chand, requests his debtor, Mann Kal Karodi Mal, to pay Mool Chand Kesari Mal. The bill has a duration of 61 days, the quantity of money involved is Rs 500 (twice Rs 250) and the quality is ‘current coin’.

A cheque is a bill of exchange where the debtor is a drawer who asks his bank to pay someone a certain sum of money on demand. No example is necessary because negotiable instruments of this kind are still in use today but maybe not for much longer given the competition from electronic forms of negotiable instrument.
In a promissory note, then, the debtor is the maker of the instrument and there are only two parties to the contract; in a bill of exchange the debtor is the drawee who accepts to pay the bill, and in a cheque the debtor is the drawer who signs it.

Two quite different questions are posed by negotiable instruments. The first concerns the technical relations of exchange, the second the social relations of exchange. The technical questions concern the processes by which certain forms of credit money arise and pass away. This is a problem in the history of institutions. The social questions concern the politics of two distinct standards of value: that of the status of the debtor and that relating to the quality of the money specified in the instrument. These two standards are often conflated but they are quite distinct.

In India the social status of the drawee of a hundi has provided the basis for many a legendary tale. One has it that the magnificent Jain temples of Dilwara on Mt Abu were built with the money drawn on a city banker of Ahmadabad. In another the credit of a drawee by the name of Bukhan stood so high that the bearer of one his hundis who needed the money tied it to the branches of a tree. A merchant who was passing by saw that it was the bill of the great banker and cashed it on the spot.

In colonial Australia promissory notes functioned as the principal means of exchange from first English settlement in 1788 to the 1830s. Their worth depended on the genuineness of the drawer and was often accepted only at discount. Private notes were referred to as ‘base Colonial currency’ or ‘currency’ for short. Bills of exchange drawn on the British Treasury, countersigned by the governor, were referred to as ‘sterling’ and valued highly relative to ‘currency’, the ‘dirty, scribbled promissory note of a convict’. In 1809, for example, a shopkeeper would give a 4s. in the pound discount to those who would pay ‘sterling’ (Butlin, 1953:66). This distinction was, by analogical extension, used to rank the settlers: the native-born children of white settlers were called ‘currency’ lads and lasses and seen as inferior to the British-born who were ‘sterling’ characters.

This process of debtor evaluation is unique to negotiable instruments and is related to the ‘Who?’ question that these instruments pose. But they also raise the ‘What?’ question
concerning the quantity and quality of money and the problems at stake here are those we have been considering above. In other words, the questions of standards of money value are encompassed by questions of the standard of the debtor in a negotiable instrument. The distinction between ‘currency’ and ‘sterling’, then, applied both to the valuer and the objects valued.

In the early days of the colonisation of Australia, money was in short supply and a variety of different physical forms of money arose. The distinction between ‘sterling’ and ‘currency’ served to divide these monies into ‘good’ and ‘bad’ categories, the membership of which changed over time. ‘Sterling’ always included the bills of the government and the paymaster. It also included the receipts the government store gave in payment for produce received. As Mrs Macarthur wrote in 1795:

In payment for [grain] the Commissary issues a receipt, approved of by the Government; and these receipts pass current here as coin and are taken by masters of ships and adventurers who come to these parts with merchandise for sale. When any number of these have been accumulated in the hands of individuals they are returned to the Commissary, who gives a bill on the Treasury in England for them... Pigs are bought upon the same system, as would also sheep and cattle if their numbers would admit of their being killed (Butlin, 1953: 32).

The Spanish dollar, ‘the universal coin of three centuries’ (Chalmers 1893:24), was classified as ‘sterling’ during this period. ‘Currency’, as a material form, included copper coins, wheat, and the like. The familiar logic of ‘buy cheap here sell dear there’ brought these forms of money into existence as Thomas Muir explains in a letter he wrote to a friend in London in 1794:

When money is transmitted, cause a considerable part of it to be laid out at the Cape, or at Rio Janeiro, in rum, tobacco, sugar, etc. etc., which are invaluable, and the only medium of exchange. We bought some rum at Oris for 18d. the gallon, and can sell it for 30 shillings. In a
country like this, *where money is really of no value*, and rum everything, you must perceive the necessity of my having a supply by every vessel. For a goat I should pay in money £10 sterling; now, for less than eight gallons of spirits, at 18d. the gallon, I can make the same purchase. Tobacco at Rio sells for 3d. per pound, here at 3s. 6d. That too is an article to be considered. (Butlin, 1953:24, emphasis added.)

This is yet another native point of view on the definition of money. ‘Money’, in the sense of tokens of the English state, had little value in colonial Australia where relatively large numbers of the basic unit (£1) had to be given in exchange for basic commodities; the flip side of this proposition is that basic commodities had a relatively high value. In other words, says Muir, take the perspective of C-M in Australia, not M-C.

Thus a bill made by someone like Ann Marsh above could be written using ‘sterling’ or ‘currency’ as the standard of value. We know of nothing of Marsh’s status as a debtor but while the ‘sterling’ or ‘currency’ status of a debtor was often correlated with the ‘sterling’ or ‘currency’ quality of the money denominated in a bill it was not always so. One of the three promissory notes of Ann Marsh reproduced in Butlin (1953: 64), for example, specifies copper coins rather than ‘sterling’.

Governor after Governor in the first forty years of settlement decried the ‘base Colonial currency’ and tried to eliminate it. However, promissory notes and bills of exchange cannot be legislated out of existence. Commercial instruments are mere tools and like tools they exist for as long as they have a useful function. What a state can influence, though, is the quality of the monetary standard specified in a commercial instrument. This is precisely what British imperial policy decreed late in 1825.²¹ It pegged the Australian pound to gold via the pound sterling and made this the only legal tender. Similar things happened in the other colonies. This drove Spanish dollars and other foreign coins from circulation.²² The year 1825, then, marks the beginning of a new era of domesticated world money. The silver standard of the Spanish lost its 300 year supremacy²³ and the gold standard of the British empire emerged triumphant. This was, of course, merely an expression of underlying changes in the balance of imperial
power. While this brought an end to the division between ‘currency’ and ‘sterling’ money in Australia, the social classifications within the population lived on. The ‘sterling’ classes ruled over the ‘currency’ lads and lasses and the Aborigines until the 1960s when both ‘sterling’ and ‘currency’ recognised the worth of Aborigines and gave them the right to vote. Meanwhile the reign of the U.S.dollar-gold standard, which commenced officially in 1934, was about to end and the era of savage money to begin.

NOTES

1 Translated from Ayizo by G. Elwert (1989:23) who notes that this was first published in the Ayizo language in Gankpanvi (Vol. 1, 1979), the first issue of a journal that was established as a result of the Ayoz literacy movement. I am extremely grateful to Georg Elwert for patiently taking me through a word-for-word translation of the original myth. My argument has benefited immeasurably from the long discussions I have had with him about Benin and the slave trade.

2 See De (1952a, 1952b); Hughes (1978).

3 Compare Guha (1985): ‘Religion is the oldest of archives…’ (p. 1); ‘once the syncretic wrapping is taken off, the content of many a myth can be identified as what it really is—that is, as a figure of some ancient and unresolved antagonism’ (p. 2).

4 The following is a much abbreviated account of the story of the shell money of the slave trade as told by Hogendorn and Johnson (1986). I focus on this book because it provides me with a convenient rhetorical means of raising my general comparative questions. My concern is not to develop a critique of Hogendorn and Johnson’s economic history but to raise general questions about the quantity theory of money by means of the expression it gets in their book.

5 Dubbeldam (1964) and Connell (1977) are among those who have applied Fisher’s Rule and Gresham’s Law to the PNG case. Perlin (1987) contains an exhaustive bibliography on cowries in India.

6 Law’s (1991:5) ‘scepticism about the potential value of oral tradition’ for research of this kind reflects, perhaps, a more general view among historians of a non-anthropological bent. It seems to me that when an oral tradition such as Cece’s story about the cowrie-shell trade is written down it becomes an archive like any other. One must take a sceptical approach to all
archives; their relative value is not an objective property of the document but is determined by the theoretical approach of the historian as Guha’s (1983b) essay on the prose of counter-insurgency suggests.

7 Guha, a sometime painter, makes extensive use of this image throughout *Elementary Aspects* (1983a) and his other writings. This, Guha informs me, was not done consciously. Guha’s unconscious use of the logic of colour to structure his thoughts invites comparison with Lévi-Strauss’s conscious use of musical logic.

8 I omit, for ease of exposition, details of the prices (P) and quantities (Q) sold.

9 If, for example, 1 kg of rice cost $10 from this trader and 5 kgs of sweet potatoes cost $10 from that trader, then the implicit exchange value of the commodities in the market is 1 kg rice = 5 kgs sweet potatoes. Thus the C-MC form of money exchange reduces to the C-C of commodity exchange which implies that barter forms of exchange are implicit in any market economy. Theories of values such as Sraffa’s (1960) are premised on this fact.

10 This much should be obvious from the formula C-C. I stress this point because the relative commodity form of value (C-C) and the absolute money form (M-C) are often confused.

11 Law (1991:67) quotes a French source which says that the rich had great treasures in cowries, beads, gold dust, women and land.

12 The actual figure was £3.17.10 d which, if rounded up to £4, gives the standard rate of 16,000 cowries per ounce. There is some disagreement among the authorities on the interpretation of the data relating to the standard rate. Compare Polanyi (1966: 92, 159, 168); Hogendorn and Johnson (1986:124, 132–35); Law (1991:51–58, 176).


14 See Gregory (1989) and Chapter VIII for a detailed exposition of this argument.

15 See the minority report to the Gold Commission (1982).

16 See Gregory (1982:10–29) for an elaboration of this point.

17 See Vansina (1962) for another example from the Congo.

18 The situation in PNG is slightly different in that the gold-lip shell, *Pinctada Maxima*, was permitted in place of legal tender until 1964 under the New Guinea Coinage and Tokens Ordinance. Its exchange rate was fixed at twelve shillings a pair. It is also interesting to note that in 1920, following the ousting of the Germans from New Guinea after the First World
War, the use of German currency was prohibited; yet another illustration of the obvious fact that standards of value are the expression of political dominance. See Phillips (1972) for further elaboration of these details.

19 This term was first used by Perlin (1987) and seems to have been accepted uncritically by other economic historians of India. See, for example, Richards (1987:5).

20 The debate was opened with a letter to *Man* by Murray (1939). One of the best contributions was made by Elwin (1942) in an article dealing with cowrie use in Bastar District India (where, I did fieldwork). A recent monograph has been published by Safer and Gill (1982) that deals exclusively with the iconography of shells; this contains useful surveys of the literature. The iconography of coins and notes is a curiously neglected topic. Hocart’s (1952) short but interesting essay is one of the few anthropological contributions to this topic that I have been able to find.

21 A Treasury Minute of 11 February 1825 argued that such a policy would bring about ‘a better mode of paying the Army abroad’ (Chalmers, 1893:418). The British government saved money by paying in silver tokens instead of actual silver. If the economic rationale behind the decision was clear, the politics that informed it was less so (see below).

22 It took time, of course. The legislation overvalued gold coins in circulation relative to that of silver which caused big problems in the West Indian colonies. The complex technical matters involved here are discussed in two classic studies in comparative economic history, Pennington (1848) and Chalmers (1893).

23 ‘The real justification of the measures of 1825 was one which was only vaguely felt at the time, and which required the subsequent experience of half a century to demonstrate and define. That justification is to be found in the fact that the Spanish dollar, the universal coin of three centuries, had lost its supremacy, and that its universal dominion was in a process of disintegration into rival “currency areas,” chief among which was destined to be the area dominated by British sterling’ (Chalmers, 1893:24).
The era of American supremacy in international finance that began in World War II is finished. The monetary and trading system that provided the basis for the postwar era has collapsed. There is no point kidding ourselves about it, that it is just shaky, that we will reconstruct it. It’s gone.

Former U.S. Treasury Secretary, John Connally (quoted in Rolfe and Burtle, 1973:104)

Democracy does not require elected or appointed intermediaries; pure democracy in fact requires that there not be suchlike. Democracy does exist, it does function (greatly hampered by the state). Its common name is the free market. The free market, to the extent that it is free, is an economic democracy; each bid to purchase is a vote for the product or service wanted, a vote that is weighted by the money amount offered and accepted, to register precisely the transaction price level that will yield a profit for the seller and the buyer. The unencumbered market, overall, operates like a societal guidance system that constantly makes multitudinous minute corrections through changing relative prices to direct and coordinate individual human actions towards the maximisation of the total prosperity, the total well being, the total happiness in a society.

Jerome F. Smith (1974:66)
THE RISE OF GOLD AND THE FALL OF AN IMPERIAL STATE

From 1934 to 1971 the U.S. dollar was as good as gold because of a U.S. government pledge. During this period the U.S. government promised foreigners that it would convert their dollars into gold at the fixed rate of U.S. $35 per ounce if they so wanted. President Nixon’s decision on 15 August 1971 to suspend the convertibility of the dollar into gold broke this pledge and set in train a series of events the impact of which are still being felt some 25 years later. The immediate impact was the creation of a ‘wild’ U.S. dollar and, what amounts to the same thing, a market for gold free of the domesticating power of the U.S. government. The price of gold began to rise at a dramatic rate in its newly freed market. It hit a peak of over U.S. $600 in 1980, dropped back to U.S. $300 by 1985, and has fluctuated around $400 in the decade since then. The only function of the official U.S. dollar price of gold after 1971 was to value monetary gold held in the form of foreign reserves. Gold accounted for only 8% of total foreign reserves in 1985 using this standard of value. However, with the rise in the market price of gold, many governments began to adopt more realistic methods of valuing their gold stocks. The result was that, by 1979, forty of the 103 IMF member countries had abandoned the official price valuation of gold reserves and were using prices ranging from U.S. $57 to the then free market price of U.S. $415 (Brodsky and Sampson 1980a:178). If 1985 market prices are used to value all monetary gold stocks then gold accounts for 42% of total reserves. This increases the value of total reserves by a staggering $249 billion U.S. dollars, bringing massive windfall gains to gold-holding countries of whom the U.S. is the largest. On the other hand, the value of the dollar has also fallen and those countries who have preferred to keep foreign reserves in this form have lost out. As it was the developing countries who were obliged to hold U.S. dollar reserves, one of the aftermaths of Nixon’s decision to suspend convertibility was to redistribute billions of dollars of wealth from the dollar-holding developing countries to the U.S.. This redistribution of wealth, the biggest in world history, has gone by largely unnoticed.
In this chapter I will argue that Nixon’s decision was related to U.S. military expenditure overseas—the Vietnam War in particular—and that the effect of the de facto revaluation of gold reserves has been to transfer the cost of the war to the dollar-holding developing countries.4

My argument can be summarised briefly as follows. International financial history is a notoriously complicated subject. However, if we think of the U.S. dollar as analogous to a gold coin of yesteryear then the fundamental principles informing the circulation of state money become clear. During the period 1934 to 1971, when the U.S. price of gold was fixed at U.S. $35 per ounce, foreign governments had the option of exchanging their dollars for gold with the U.S. government at this rate. The dollar was, therefore, just like a gold coin. The only difference was that, instead of putting a stamp on a piece of gold of a certain weight and fineness, the U.S. Government put a stamp on a piece of paper that gave its possessor rights to gold of a certain weight and fineness. Until the 1960s, no one exercised this right because it was obvious to all that the U.S. could meet the obligation. By the end of World War II the U.S. was the world’s foremost industrial and political power. In addition, it held 75% of the world’s monetary stock of gold, most of which was acquired in the 1920s from war-torn European countries who used gold to pay for U.S. commodities. The acquisition of these gold stocks was a phenomenon of U.S. industrial expansion, not its cause. The growth of Fort Knox gold holdings in the 1930s and 1940s was a measure of the U.S.’s rise to power in much the same way as the contraction of gold stocks in the 1950s and 1960s was to be an index of its decline. Gold stocks began to fall in the early 1950s when the cost of the Korean war led to a balance-of-payments deficit. This deficit persisted and by the end of the 1950s foreign governments began to lose confidence that the U.S. could honour its obligation to convert dollars into gold. By this time the dollar was generally accepted as world money and the number of dollars circulating around the world had grown dramatically. Before 1959 the gold value of the dollar, measured by the ratio of gold assets to foreign dollar liabilities, was above 100%. In 1960 it dropped below 100% and declined steadily over the next decade. In other words, if all foreign governments holding dollars presented them for exchange into
gold there wouldn’t have been enough gold available at Fort Knox to meet the demand. This created a crisis of confidence in the dollar and the U.S. government adopted a variety of stop-gap measures to retain the dollar’s value in terms of gold. These complicated financial strategies, which included the establishment of a gold pool, a two-tier gold market, and Special Drawing Rights (SDRs), broke down in the face of a persistent U.S. balance-of-payments deficit which flooded the world with dollars. The escalation of the Vietnam War after 1965 exacerbated the problem and Nixon had no option but to suspend the convertibility of dollars into gold as the ratio of Fort Knox gold to dollars fell to 19%. Thus if all foreign holders of dollars presented them to the U.S. government for exchange into gold they would get only 19% of the promised 1/35 ounce of gold. In the days of gold coinage a rise in the price of gold was inversely related to a fall in its gold content. This is the case with the U.S. dollar. Since 1971 the market has determined the gold content of the dollar. This has averaged around 1/350 of an ounce in the 1980s and 1990s, a tenth of its official value during 1934–1971. In the past, kings often deliberately debased the coinage as a means of financing wars. The effect was to transfer wealth from the citizenry to the state by inflating the economy. It was a strategy of last resort because it was very costly in terms of the political disruption it caused and the havoc it wrought on the organisation of production and distribution of goods and services (among other things). The gold-coin analogy suggests that Nixon was the king, that Vietnam was the war to be financed, and the dollar-holding developing countries the citizens of the world imposed upon to pay.

WHY NIXON WAS FORCED TO BREAK THE GOLD PLEDGE

The postwar period to 1971 divides into a number of critical phases defined roughly by the respective presidential administrations. A brief review of the political and economic history of these periods is necessary if Nixon’s decision is to be understood.

The early years of the Truman administration (1945–1950) were characterised by U.S. balance of payment surpluses and
general shortages in international reserves. In 1948 total world reserves stood at U.S. $46.6 billion, with gold accounting for U.S. $32.7 billion and foreign exchange U.S. $12.7 billion. Eighty seven per cent of the latter was in the form of debased U.K. pounds sterling. Prior to the war these pounds had a gold backing of 103% but by 1948 this backing had fallen to 13%. The 1948 U.S. dollar, which had a gold backing of almost 300%, were readily accepted as substitutes for sterling (and gold) as the U.S. played a key role in post-war reconstruction. Dollar holdings in the form of foreign exchange assets grew from U.S. $1,850 million to U.S. $4,450 million and accounted for 33% of all foreign exchange in 1950. This growth in the popularity of the U.S. dollar was all at the expense of the British pound sterling.

The turnaround came in the second phase of the Truman administration (1950–1953). Foreign exchange reserves grew to U.S. $15,250 million of which 46% were U.S. dollars. Persistent balance of payments deficits, the first of which appeared in 1951, fuelled this growth. In turn, U.S. military aid to Korea over the period 1950–53 and the development of a global military strategy to translate the United States’s technological and economic power into mastery of ever-changing political realities were the basis of the post-1951 balance of payments deficits.

Subsequent administrations have had to operate within the broad politico-economic parameters laid down by the Truman administration (Kolko and Kolko, 1972). During the Eisenhower years (1953–1960) the balance of payments deficits persisted and U.S. dollars accumulated abroad. In 1961 foreign dollar holdings stood at U.S. $22,853 million, almost twice the level they were when Eisenhower took office. Gold reserves, which had been slowly accumulating till 1957, began to drop at a rapid rate. The curves crossed for the first time in 1959 (see Figure VIII.1) and the gold backing of foreign dollars fell below 100%. This was not a crisis in itself but signalled the potential for a crisis if the trend continued.

One of the few economists to understand this was R. Triffen. His statement of the problem to the Joint Economic Committee of the 87th Congress on the International Monetary Position and Policy of the United States, in October 1956, subsequently published with a collection of his other essays (Triffen, 1960),
turned out to be prophetic. He identified the ‘terrifying and disproportionate defence burdens’ as the most significant single factor contributing to the revolutionary turnaround in the dollar balance. Triffin also predicted the inevitability of a rise in the price of gold if the balance of payments deficit continued.

Apparently Eisenhower did try to get Germany to pay for some of the U.S. troops stationed there during the dying months of his presidency, but as he was a lame duck president nothing happened (Gilbert, 1980:128).

When Kennedy assumed power in January 1961 he drew attention to the balance of payment problems he inherited but, for electoral reasons, refused to implement policies that placed the burden of adjustment on U.S. capital or the U.S. voting public. Consider his first State of the Union message delivered on January 30:

[The] overall deficit in our balance of payments increased by nearly $11 billion in the last three years—and holders of dollars abroad converted them to gold in such quantity as to cause a total outflow of nearly $5 billion of gold from our reserves...this country has continued to bear more than its share of the West’s military and foreign aid obligations. Under existing policies, another deficit of $2 billion is predicted for 1961—and individuals in those countries whose dollar position once depended on these deficits for improvement now wonder aloud whether our
gold reserves will remain sufficient to meet our own obligations (KCA, 1961:17924).

One of the policy options open to Kennedy was to devalue the dollar by raising the price of gold. He explicitly rejected this. ‘This administration will not distort the value of the dollar in any fashion’ he asserted. This was the beginning of the policy of so-called ‘benign neglect’ (Stockman, 1986:26; and Kolko, 1985:346). In reality it was a policy of malign aggression in international financial relations and signalled a determination on the part of the U.S. to resort to whatever means possible to pass its dollar problems on to the rest of the world.

Another policy option open to Kennedy was to reduce military expenditure. He did precisely the opposite. Following Vice-President Lyndon Johnson’s visit to Saigon in May 1961 the U.S. government made an agreement to ‘increase and accelerate’ U.S. economic and military aid to South Vietnam. This was the beginning of the costliest war in U.S. history.

The declining gold value of the dollar became a serious problem. Kennedy introduced the first of a series of stop-gap measures that succeeded in delaying the day of reckoning for a decade. In October 1961 the U.S. proposed the establishment of a ‘gold pool’. Loss of international faith in the value of the dollar was putting upward pressure on the price of gold and the gold pool was an informal arrangement ‘to share the burden of the cost of intervention on the London Gold Market to keep the price within reasonable limits in the event of exceptional and concentrated demand for gold arising either from an international political crisis or from speculative movements of funds’ (KCA, 1964:20057). The European Countries—West Germany, France, Italy, U.K., Belgium, the Netherlands and Switzerland—contributed 50%; the U.S. provided the other 50%. The gold pool worked well until 1965 when uncontrollable upward pressure on the gold price emerged. Heavy selling by gold pool members in 1966 and 1967 exhausted reserves and a new crisis arose. This was solved, in March 1968, by another stop-gap measure, the two-tier gold price system.

The gold pool served U.S. interests first and foremost. Other members participated because disruption to the international financial system served nobody’s interests. The question was
one of how long they would subordinate national self interest to the U.S.’s national interest and the general good. France was the first to weaken. It withdrew from the pool in June 1967 with a call, the third within six months, for an extra contribution of U.S. $50 billion. The French were the most vocal critics of the U.S. foreign economic policy and, like Triffin, correctly predicted the inevitability of a rise in the price of gold. In 1965 they moved to protect their own reserves and converted U.S. $300 million dollars into gold reducing the U.S. gold stock to U.S. $14.5 billion, the lowest since 1938. In 1966 they acquired another U.S. $220 million in gold from the U.S., a move that was subsequently to prove of immense financial benefit to them. Meanwhile on 4 February 1965 De Gaulle launched a scathing attack on U.S. financial imperialism and called for a return to the gold standard. Other European countries rejected this plea, held on to their dollars, and lined up behind the U.S., much to their ultimate cost.

While France’s financial war with the U.S. was a contributing factor to the March 1968 crisis—‘the most serious international financial crisis since the Second World War’ (KCA, 1968: 22597)—President Johnson’s decision to escalate the American involvement in the Vietnam War was the crucial determinant. At the end of 1964 U.S. troops in Vietnam totalled 23,300 but by December 1965 there were 184,300. This increased to 385,000 twelve months later and 485,600 by December 1967. The bombing of North Vietnam also escalated at a similar rate with 285,000 tons dropped in 1965, 458,000 tons in 1966 and 845,000 tons in 1967. Budget appropriations rose from U.S. $103 million in 1965 to U.S. $19.4 billion in 1967; estimates for 1968 were put at U.S. $21.9 billion (KCA, 1967:21907).

Apologists for the U.S. government find the war to be ‘an economically trivial’ event in the macroeconomics statistics (Walker and Vatter, 1982:605). They note that defence expenditure as a percentage of GNP rose from 7.7 to 8.8 over the period 1964–1967 and fell to 7.5 in 1970.

Opponents of the U.S. government, on the other hand, have tended to exaggerate the absolute cost of the war and use it to explain everything. Estimates of the cost of the war vary greatly, from U.S. $353 billion to U.S. $750 billion (Burns and Leitenberg, 1984:232). Exercises of this kind are ultimately
rather pointless because, apart from the accounting difficulties in arriving at a precise figure, the exact ratios of defence expenditure to GNP for the period 1965–71 are of little consequence in assessing the war’s impact. What mattered was the historical timing of the ‘blank cheque’ approach to Vietnam military expenditures and the issue of who was to pay.

McNamara’s decision in March 1965 to unlock unlimited funds for the Vietnam War led to an orgy of wasteful expenditure at the Pentagon as the generals rushed to spend their blank cheque. At the end of 1965 advisers, who saw the looming budget deficit, told Johnson that a tax increase might be necessary to pay for war. Johnson chose to ignore these warnings and devoted his energies to getting his anti-poverty Great Society legislation through Congress by lying about the real estimates for the war. In January 1967 he eventually asked for a 6% surcharge on corporate and individual taxes; in August he raised it to 10%. A hostile Congress did not pass this until mid 1968 and then only after U.S. $2.5 billion were cut from earlier authorisations for social welfare (Kolko, 1985: 196, 287). This tax increase, estimated to produce extra revenue of U.S. $7.4 billion, was too little too late (Halberstam, 1969: Ch.27). The budget deficit blew out from U.S. $1.6 billion in 1965 to U.S. $15.19 billion in 1968.

The timing of this could not have been worse.8 In 1964 the gold backing of the foreign holdings of dollars was 53% and it declined to 32% in 19689 as the balance of payments worsened, foreign liabilities increased and gold drained out (See Figure VIII.2).10

Had it not been for the war the economic strength of the U.S. would have been much greater and the international monetary situation much more stable at the beginning of 1968. For example, an economic analysis of the impact of the war on the
U.S. balance of payments revealed that ‘the U.S. would have been in international payments surplus in 1967 in the absence of Vietnam War expenditures (Dudley and Passel, 1968:442). Johnson was forced to admit much the same thing in a special address to the nation on 1 January 1968.

This was summarised as follows:

For 17 of the past 18 years, the President said, the United States had had balance of payments deficits (the exception being 1957). For a time they were needed to help the world recover from the ravages of the Second World War and ‘could be tolerated by the United States and welcomed by the rest of the world,’ since they distributed more equitably the world’s monetary gold reserves and supplemented them with dollars.

Once recovery was assured, however, these large deficits were no longer needed and began to threaten the strength of the dollar. The U.S. government had been working since 1961 (ie. the beginning of President Kennedy’s term of office) to reduce the deficit, which had been cut from $3,900,000,000 in 1960 to $1,300,000,000 in 1965; in 1966, however, because of the increased burden of the Vietnam war, the improvement had been interrupted and the deficit had remained at about the same level as in 1965.

In 1967 the progress had been reversed, due principally to a further increase in the costs of the Vietnam war, a rise in private loans and investment abroad, a smaller rise in the trade surplus than expected, and greater expenditure by U.S. tourists abroad. There had in addition been ‘the uncertainty and unrest surrounding the devaluation of the British pound,’ which had strained the international monetary system and sharply increased America’s balance of payments deficit and gold sales in the last quarter of the year. As a result, preliminary reports indicated that the deficit might be ‘in the area of $3,500,000,000– $4,000,000,000—the highest since 1960’ (KCA, 1968:22467).

If the economic realities of the Vietnam War finally dawned on Johnson at the end of 1967 then, within 30 days of his special
message to the nation, the political realities became apparent to him and the rest of the world. On January 30, North Vietnam launched the Tet offensive and shattered any illusions that the U.S. was winning the war. The North Vietnamese understood the economic, political, social and ideological context of the U.S.’s involvement in the war better than the U.S. did and were able to use this knowledge to their military advantage. These facts became obvious to the world in April 1975 as they watched the revolutionary forces smash into the U.S. embassy grounds in Saigon on their TV screens.

As a crisis of confidence in U.S. power swept the world in the late 1960s, investors everywhere switched from paper currencies to gold, creating a rapid and unprecedented increase in the demand for gold in the first half of March. On Monday 11th March 1967, gold pool losses were U.S. $118 million, on Tuesday U.S. $103 million, Wednesday U.S. $179 million and by lunchtime Thursday 14th U.S. $220 million. In view of the chaotic conditions prevailing, the U.S. Government requested the British Government to close the London Gold Market on the 15th March so that members of the gold pool countries could make new arrangements. The market remained closed until 1st April 1968 during which time the Central Banks agreed to buy and sell gold among themselves at U.S. $35 but not to intervene in the London market. Following the introduction of this two-tier price system the market price of gold rose to U.S. $41 in June and fluctuated slightly below this price until the end of the year.

This was yet another stop-gap measure but of importance in that it signalled an unwillingness of U.S.’s allies to use their gold to save the dollar any longer. By abolishing the pool, and rejecting an American request that they forgo their right to convert their U.S. dollar holdings into gold from the U.S. Treasury, they were putting their own interests above those of the dollar (Kolko, 1985:314–315). The U.S. was now on its own.

The Nixon administration did nothing to alleviate the dollar’s problem and everything possible to make it worse. Henry Kissinger, a self-confessed economic ignoramus, advised Nixon on how to do this (Kolko, 1985:349).

It is true that under Nixon the number of U.S. troops in Vietnam dropped from its peak of 543,000 in April 1969 to
almost nil by June 1973. However, this masks the fact that the
U.S. dropped more bombs in the period 1969–73 than any
other period during the war. Over 8 millions tons of ground,
air and sea munitions were spent in the Nixon years,
representing 60% of the total over the period 1965– 1973
(Burns and Leitenberg, 1984:77). In other words, the Nixon
Vietnam War years were the most costly. A budget surplus in
1969 of U.S. $5.4 billion became a deficit of U.S. $11.38 billion
in 1970 which doubled to U.S. $24.81 billion in 1971. The
balance of payments deficit grew in proportion, reaching the
record figure of U.S. $29.73 billion in 1971. The effect of this
was to widen the gap between foreign dollar holdings and gold
stocks even further. Foreign dollar holdings almost doubled
from 1968 to 1971, gold stocks declined and the gold value of
the U.S. dollar tumbled from 32% to 19%. Yet another crisis
had arrived.

The actions of the U.S. Government had created upward
pressure on the U.S. dollar prices of gold and downward
pressure on the exchange rate of the U.S. dollar vis-a-vis the
Deutsche Mark and other strong currencies. The sticking point
in both cases was the fixed price of gold. If the U.S. had
officially increased the price of gold it could have gone some
way to overcoming both problems simultaneously, for a rise in
the dollar price of gold is tantamount to a devaluation of the
dollar. This action would have required the U.S. to shoulder
the burden of adjustment. However, the Nixon administration
refused to do this and shifted the burden of adjustment to
other countries by breaking the pledge to convert foreign
holdings of dollars into gold at the fixed rate of 1:35 (KCA,
1971:25000). The dollar is our currency,’ declared Treasury
Secretary John Connally, ‘but your problem’ (quoted in Kolko
1985:350). This took the international financial community
completely by surprise because it meant that, somehow, they
had to realign their exchange rates relative to the U.S. and to
each other. This decision, announced on 15 August 1971,
signalled the formal beginning of the decline of U.S.
imperialism. As the Treasury Secretary, John Connally was to
remark later:

The era of American supremacy in international finance
that began in World War II is finished. The monetary and
trading system that provided the basis for the postwar era has collapsed. There is no point kidding ourselves about it, that it is just shaky, that we will reconstruct it. It’s gone (quoted in Rolfe and Burtle, 1973:104).

THE ECONOMIC CONSEQUENCES OF THE VIETNAM WAR

Nixon’s announcement of 15 August 1971 immediately led to the closure of most major financial centres. In the gold market the fiction of an official price of gold was abandoned and the free market price increased by two thousand per cent in the space of ten years. In the foreign exchange market, the post war Bretton Woods system of stable exchange rates collapsed. The values of the free market asserted themselves and the value of the dollar began to fall relative to other major currencies.

The combination of these two effects was runaway inflation. The U.S. consumer price index rose dramatically as the following figures show:

<table>
<thead>
<tr>
<th>Year Range</th>
<th>Inflation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960–64</td>
<td>1.2%</td>
</tr>
<tr>
<td>1965–70</td>
<td>4.2%</td>
</tr>
<tr>
<td>1971–73</td>
<td>4.6%</td>
</tr>
<tr>
<td>1974–75</td>
<td>8.8%</td>
</tr>
<tr>
<td>1976–78</td>
<td>6.8%</td>
</tr>
<tr>
<td>1979–80</td>
<td>12.6%</td>
</tr>
</tbody>
</table>

Following Nixon’s decision foreign dollar liabilities grew at an astronomical rate. In 1970 they were U.S. $43 billion but fifteen years later they were U.S. $606 billion. Gold reserves valued at official prices stayed relatively constant with the result that official gold backing of foreign-held dollars dropped to less than 3%. The rise in the U.S. dollar price of gold was an expression of this debasement. The effect of this price rise has been to maintain the de facto gold backing of foreign dollars of around 25%.

The question that now arises concerns the relationship between the rise in the consumer price index, the global redistribution of wealth from poor countries to rich, and Nixon’s decision to break the gold pledge. The unifying
political factor is the problem that has plagued U.S. foreign policy since the early 1950’s: the negative effect of military expenditure on the balance of payments. U.S. Treasury Secretary John Connally correctly identified this factor in 1971.

I find it an impressive fact, and a depressing fact, that the persistent, underlying balance of payments deficit which causes such concern is more than covered, year in and year out, by our net military expenditures abroad, over and above the amounts received from foreign military purchases in the U.S... We spend 9% of our gross national product on defence—nearly $5 billion of that overseas, much of it in Western Europe and Japan (Quoted in Rolfe and Burtle, 1973:79).

A feature of post-Nixon U.S. budget policy has been tax cuts without corresponding expenditure cuts. Defence expenditure has been allowed to grow in an almost unconstrained fashion.

In Carter’s first budget speech, for example, we find tax cuts coupled with proposals for ‘significant increases in our overall defence effort, with special emphasis on those forces and capabilities most directly related to our NATO commitments’ (KCA, 1978:29133). A real growth of 3% in budget outlays was projected, the only constraints being the introduction of ‘important efficiencies’ and the placing of ‘careful priorities’ on defence needs.

It was under Reagan that defence expenditures really flourished. A feature of all Reagan’s budgets was proposals for large increases in military expenditure and the freezing or reduction in real terms of many categories of domestic expenditure, but mainly on those programs to assist the poor. His tax reforms benefited business and wealthy individuals while increasing the tax burden on the poor. Receipts from corporation income taxes, for example, declined in absolute terms from U.S. $60 billion in 1978 to U.S. $37 billion in 1983; as a percentage of total budget receipts this represents a fall from 15% to 6%. Meanwhile, the tax paid by a family of four on the government determined poverty level rose from 4% of income to 10% over the same period (KCA, 1984:32901–2).
The following figures (in billions of U.S. dollars) on the growth in the size of the U.S. budget deficit under Carter and Reagan reflect their respective philosophies:

<table>
<thead>
<tr>
<th>Year</th>
<th>Deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977</td>
<td>$52</td>
</tr>
<tr>
<td>1978</td>
<td>59</td>
</tr>
<tr>
<td>1979</td>
<td>36</td>
</tr>
<tr>
<td>1980</td>
<td>76</td>
</tr>
<tr>
<td>1981</td>
<td>79</td>
</tr>
<tr>
<td>1982</td>
<td>127</td>
</tr>
<tr>
<td>1983</td>
<td>209</td>
</tr>
<tr>
<td>1984</td>
<td>185</td>
</tr>
</tbody>
</table>

Right wing economists were divided over the importance of these deficits. The monetarist position is that the deficits do not matter. This claim was vigorously rejected by the supply-siders (Paul and Lehrman, 1982:12). They were united on the question of a big defence budget though. Even Reagan’s most hard line cost cutter, budget director and self-styled supply-side revolutionary David Stockman, was a big budget proponent on defence (Stockman, 1986:106). Reagan’s ‘defence is not a budget issue’ stance made his 1980 election promise to produce a balanced budget by 1983 impossible to achieve.

Reagan’s budgets exacerbated the U.S. balance of payments problems and it was only the continued willingness of foreigners to hold U.S. dollars that enabled him to do this. This appeared to be something of a mystery. If U.S. gold reserves were valued at the official price of $42.22 per ounce (used by the U.S. Government) then by this measure the official gold backing of foreign dollars declined to less than 5%. However, foreign holders of U.S. dollars clearly used market price valuations of U.S. gold reserves. The gold backing of the U.S. dollar has fluctuated around an acceptable 27% from this perspective. While the dollars are no longer ‘as good as gold’ so far as dealings with the U.S. government is concerned, they are convertible into gold on the free market. Furthermore gold holders receive no interest and the fluctuating price of gold makes it a risky asset. This de facto remonetisation of gold, then, has given the U.S. dollar a new lease of life as a reserve currency. How long this lasts remains to be seen. When Clinton won office in December 1992 he inherited the biggest
budget deficit in the history of the U.S., $254 billion equivalent to 4.9% of the Gross Domestic Product.

Institutions such as the IMF have tried to stop the remonetisation of gold. They tried to depress the price of gold by selling one-sixth of IMF gold stocks over the period 1976 to 1980, but the price went up instead (Kettle, 1982:146–150). They tried to promote Special Drawing Rights (SDR) as the principal reserve asset but many countries elected to value their gold reserve at market prices instead, with the result that SDR only accounted for an insignificant 2% of total reserves in 1985 (Brodsky and Sampson, 1980a). They have been successful in changing the monetary rate of gold by amending the IMF’s articles. Gold no longer serves as the numeraire for members’ exchange rates. They also abolished the official price of gold and eliminated the obligation of members to use gold. The fact remains, however, that gold has re-emerged as the supreme source of international value. IMF officials now reluctantly admit this fact (Wittich, 1982:234).

Anti-gold economists held sway during the Carter administration and the U.S. sold 4 million ounces in 1978 and 11.75 million ounces in 1979 in an attempt to demonetise gold. The progold Reagan administration discontinued these sales which led to speculation about a return to the gold standard (Business Week, 1981). The report of the Gold Commission (1982) which recommended otherwise put these rumours to rest, although the lengthy minority report of the Commission suggests that there were grounds for the rumours. The most important impact of the Carter gold sales was to improve the country’s trade deficit (Kettell, 1982:146).

HOW THE POOR NATIONS WERE MADE TO PAY FOR THE WAR

Table VIII.1 shows the impact of higher gold prices on the valuation of foreign reserves. Prices for the year 1985 of are taken as the standard. The effect of revaluing reserves at market prices is to create an extra 249 billion in SDR’s (1SDR = U.S. $1.10) and to increase the relative share of gold in foreign reserves from 8% to 42%. The figure of 42% is conservative because the 1985 gold price of U.S. $328 per ounce, the
equivalent of 298 SDR, was the lowest annual price of gold in the 1980s.

Table VIII.2 shows the distribution of this windfall gain between the U.S., other industrial countries, and the developing countries. At the official price of 35 SDR the respective shares of total reserves are 9%, 52% and 39%. Revaluation of gold increases the U.S. share to 16%, other industrial countries to 53% and decreases the developing countries share to 31%. In other words the developing countries lost 8% of the value of their foreign reserves, the U.S. gained 7% and the other industrial countries 1%. Thus, the poor countries were the losers in this zero sum game, the U.S. the main winner.

Tables VIII.3 and VIII.4, which show the distribution of gold and paper money reserves respectively for the years 1960–1985, helps us understand why this redistribution happened. In 1960 the U.S. held 47% of total gold reserves (Table VIII.3). This declined to 28% in 1971 and has remained stable ever
since thanks to Nixon’s convertibility announcement. The shares of the other countries have remained relatively stable since then too.

The remarkable fact about this, though, is the small share (17%) of the world’s gold reserves that the developing countries have. This is even more striking when compared with the relatively high proportion of reserves developing countries hold in the form of paper currencies (mainly U.S. dollars). As Table VIII.4 shows, this figure stood at 41% in 1984. Also worthy of note is the dramatic climb in this share since 1971. This was the direct result of the oil price boom which saw the proportion rise from 24% in 1971 to 47% by 1975. The oil exporting developing countries gained paper reserves at the expense of the other industrial countries. However, this paper was not convertible into U.S. gold and their short term gains in higher dollar reserves were offset by the long run decline in the value of the dollar.

The rise in the gold price, then, benefited the U.S. most because of its relatively large gold stocks. The decline in the

### TABLE VIII.3 DISTRIBUTION OF GOLD RESERVES (PERCENT OF TOTAL)

<table>
<thead>
<tr>
<th>Country</th>
<th>1960</th>
<th>1971</th>
<th>1985</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>47</td>
<td>28</td>
<td>28</td>
</tr>
<tr>
<td>Other Industrial</td>
<td>44</td>
<td>58</td>
<td>55</td>
</tr>
<tr>
<td>Developing</td>
<td>9</td>
<td>13</td>
<td>17</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

**Source:** IMF, International Financial Statistics.

### TABLE VIII.4 DISTRIBUTION OF PAPER RESERVES (PER CENT OF TOTAL)

<table>
<thead>
<tr>
<th>Country</th>
<th>1960</th>
<th>1971</th>
<th>1985</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>7</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Other Industrial</td>
<td>62</td>
<td>74</td>
<td>52</td>
</tr>
<tr>
<td>Developing</td>
<td>31</td>
<td>24</td>
<td>41</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

**Source:** IMF, International Financial Statistics.
value of the U.S. dollar hit the poor developing countries most because they held relatively more paper money reserves. The other industrial countries ended up slightly in front because gold gains just outweighed dollar losses. The roots of the post-1971 financial crisis are to be found in a militaristic U.S. foreign policy. This has caused a chronic balance of payment deficits since the Korean War and chronic U.S. budget deficits since the Vietnam War. This has flooded the world with U.S. paper dollars which ceased to be as good as gold in 1959. The growing gap between foreign dollar holdings and U.S. gold reserves reached a crisis in 1971 when the gold backing of foreign dollar holdings fell to 19%. This put uncontrollable upward pressure on the price which set the gold price soaring and brought about a de facto remonetisation of gold reserves. The gold price rise, which was simultaneously a debasement of the dollar, caused a massive redistribution of wealth from the dollar-holding developing countries to the gold-holding U.S. The debasement of the dollar also contributed to the world-wide inflation of the 1970s and 1980s. More importantly, Nixon’s breaking of the gold pledge marked the beginning of the end of statism and created the conditions for free market anarchism as a value to flourish. Its public face has been the social, economic and political agenda of U.S. President Ronald Reagan and British Prime Minister Margaret Thatcher but its real force is concealed by the ‘invisible hand’ of the market. An anthropological examination of the workings of one world market, silver, can reveal some of the human owners of this ‘invisible hand’.

THE SILVER BUBBLE

One aftermath of the beginning of the era of savage money was the ‘silver bubble’ which developed in the late 1970s and burst in the 1980s. In 1971 the world price for silver was U.S. $1.55 per ounce. It rose to $4.42 in 1975 and kept on rising to peak at $20.58 in 1980. It fell to half this price in the following year and has kept on falling. In 1990 it was back to $4.82.

Figure VIII.3 converts these U.S. dollar prices per ounce into Rupees per kilogram and plots them against the Bombay price for silver for the period 1971 to 1992. The bubble in the world price of silver contrasts sharply with the steady upward trend
in the Bombay price. These two graphs index two quite distinct standards of valuation: the dictatorial values of a free market anarchist family and the aggregated values of millions of Indian households.

The ‘invisible hand’ in the world market for silver in the late 1970s and early 1980s was revealed to be the Hunt brothers of Dallas who, with the help of Saudi princes and bank credit, accumulated over 200 million ounces in a buying frenzy that almost enabled them to corner the market. Journalist Stephen Fay (1982) tells the fascinating story of this saga in his *The Great Silver Bubble*. A reviewer complained that the book does not answer the most interesting question: what drives unimaginably rich people to behave in such a fashion?

George Marcus (1985), the American cultural anthropologist who has made the study of Texan elites his speciality, has noted this alleged defect of Fay’s book and tries to provide an answer. His concern is to see the event as ‘one variant expression of behaviour that generally characterises the culture of dynastic families and fortunes in America as a distinctive kind of private corporate organisation’ (1985:227, his emphasis). Building on the work of Bataille and Mauss, he argues that the ‘Hunt foray into silver can be seen as a bourgeois analog of potlatch’. The analogy holds, he argues (1985:228), because ‘the level of excessive expenditure among the Hunts, headed for destruction, approximates the intensity of excess in potlatching from which Bataille takes off.’ This ‘dynastic potlatch’, he concludes (1985:258), ‘relocates “the gift” in the basic functions of capitalist economics and
demands their understanding, at different points in the system, in appropriately cultural terms'.

This type of analysis is typical of one that is becoming common nowadays as anthropologists reclaim the West as a subject of study using concepts developed for studying the Rest. Thus whereas Marcus sees potlatch at work in the world market, another sees moietyies in Berlin and so on. There are many problems with this type of approach and they begin with the adequacy of concepts like ‘potlatch’ and ‘moiety’ to explain problems in the ‘tribal’ societies for which they were first developed. For example, Marcus wants to ‘relocate’ potlatch into the basic functioning of capitalism but the fact is an historically informed analysis of nineteenth century potlatch among the Kwakiutl shows that capitalism has always been there. The destruction of property for which the Kwakiutl are famous began in earnest after a logging company built a sawmill near them in the late 1800s. The money earned in the sawmill financed the purchase of the blankets and other commodities that were potlatched. Marcus’s analogy, then, denies the coevality that gives potlatch its historically informed anthropological meaning. This criticism aside, the analogy fails even in its own terms. Potlatch is an intentional destruction of wealth; successful potlatchers are successful destroyers of wealth. The Hunts had no intention of destroying their wealth and nor did they. The paradox of this case, as Marcus has correctly noted, is that their creditors (the banks and other public authorities) protected their debtor from financial ruin in order to save themselves.

The cultural terms that Marcus uses, then, are most inappropriate; they obfuscate rather than clarify. However, Marcus’s essay does contain the traces of a more appropriate analysis in valueterms. The 1970s, he notes (1985:242), ‘was generally an anxious time for the established rich as well as for the affluent middle class, who faced, in quite different spheres, the decline in value of their assets’. ‘The move to silver generally reinforces the value of money in uncertain times’, notes Marcus (1985:249). ‘Financial analysts argued that there were special opportunities for profits in silver, and Bunker Hunt was persuaded, according to Fay, to purchase large quantities of bullion in 1973’ (1985:252). Fay develops this argument in his book. Missing from Marcus’s analysis, but
not Fay’s, is a treatment of the theory of value (free market anarchism) that informed the actions that ‘generally characterise’ the behaviour of people like the Hunts.

On the question of why the Hunts got into the silver market, an informant of Fay’s said: ‘It’s all to do with the defence of wealth versus a deteriorating currency’ (1982:29). Hunt named the source of the idea when he gave evidence to a congressional committee in 1980: ‘I first became interested in silver as an investment, not as speculation, in 1973 after reading about it in several publications including one entitled Silver Profits in the Seventies by Jerome A. Smith’ (Fay, 1982: 30). This book, not mentioned by Marcus, outlines the theory of value that informed the actions of the Hunt brothers.

Smith is a rhetorician who knows the values of his elite audience and his opening paragraph gets straight to the heart of the matter:

If you have the patience to study this report and follow its logic, and if you have some money to invest—it could make you rich. If you are already rich, it can, at least, provide you a means to keep what you have.

He announces that he has developed a ‘new theory of money’ and that this tells him that ‘silver could become more valuable than gold’ (Smith, 1974:5).

Only gold and silver remain widely available as an escape hatch for those relatively few individuals who have the fore-sight to store their wealth in real money (Smith, 1974:70).

Revolutionary stuff! A new theory of the supreme commodity and a new vision of the future. Silver, the long time deputy of King Gold, is ‘within our lifetime, and perhaps within this decade’ (1974:5) to topple the absolute monarch who has ruled the market since the beginning of commercial time. While he was certain about this fact he did have a worry. For Smith the ‘over-riding social issue of all time’ was Statism. ‘Either there will emerge a fundamental change in our conceptions and actions concerning government in this decade,’ he argued (1974:66), ‘or we’ll have our investments confiscated and
become either employees or prisoners of the state before another decade passes’. He then outlined his political philosophy:

Democracy, does not require elected or appointed intermediaries; pure democracy in fact requires that there not be suchlike. Democracy does exist, it does function (greatly hampered by the state). Its common name is the free market. The free market, to the extent that it is free, is an economic democracy; each bid to purchase is a vote for the product or service wanted, a vote that is weighted by the money amount offered and accepted, to register precisely the transaction price level that will yield a profit for the seller and the buyer (Smith, 1974:66).

Here it is, then, a dollar a vote and the more dollars you have the more votes you get. What distinguishes Smith’s version of free market anarchy is that these votes will be cast with silver, ‘real money’, not worthless state paper money. As it turned out, Smith’s analysis of the principles determining the relative values of gold and silver was faulty and his prediction hopelessly wrong. Gold has consolidated its supremacy and silver’s relative status has fallen. The long term trend in the ratio of silver to gold has moved in favour of gold. For hundreds of years prior to the eighteenth century 12 ounces of silver would buy one ounce of gold; by the mid nineteenth century the rate was around 15. In 1975 it was 36. This dropped to 30 in 1980 as a result of the Hunt’s attempt to corner the silver market but has risen rapidly since. In 1990 it was 80 and rising. Gold, then, has been recrowned.

The crisis of 1980 in the silver market exposed not only the invisible hand of the Hunt brothers and the invisible mind behind it, it also revealed the identity of a growing political force: free market anarchism and the philosophy of ‘tough shit’. Compare Fay (1982:248):

‘Tough shit’ is not merely invective; the phrase has recently been elevated into a political and economic principle. Although many of its practitioners express it more delicately, the principle is a fundamental principle of libertarianism, a system that has its own political
party... The principle has also deeply tinged the New Conservatism of President Ronald Reagan and Margaret Thatcher. The phrase would, no doubt, never pass the lips of either of them, but their economic policies bear harshly on the least privileged members of society: the poor, the ill-educated, ethnic minorities, and the unemployed. Theoretically, these groups should be grateful for the economic liberty imposed by the New Conservatism and pull themselves up by their bootstraps; if they cannot do so...well, tough shit.

Tough shitism, however, works one way for the elite and another for subaltern. This is because Statism and free market anarchism need each other. As creditors the central banks and other financial institutions had to save the Hunts or go down with them. There were many other cases in the 1970s. In 1973 and 1974 the governor of the Bank of England launched a lifeboat operation when the collapse of a number of malfeasant banks (to which the central bank turned a blind eye) endangered the whole British banking system. In the U.S. the Federal Reserve Board bailed out Penn Central, Lockheed, Chrysler, and the Franklin National Bank (Fay, 1982:254). The traditional role of the central bank is that of ‘lender of last resort’ but the fallout from the era of savage money is turning them into lenders of first resort as the market place transforms itself into a casino.

THE VANDALS’ CROWN

The Hunt Brothers attempt to corner the silver market made it unlikely that regulators would approve new ways of speculating in the world market for gold and silver. This prompted the big money men to look around for new markets to conquer. They found it in currencies, the token monies of the various nation-states.

Prior to 1971 there had been no way to buy and sell token money without going through the central banks. Furthermore, given the fixed link between the U.S. dollar and gold on the one hand, and the fixed rates between the dollar and other currencies on the other, the buying and selling of a currency was tantamount to buying and selling gold. Nixon’s act of 15
August 1971 broke the link between the dollar and gold creating the possibility for futures trading in the dollar and other national currencies. The creation of the possibility of buying and selling a currency at a certain price at some point in the future meant that state-created token money itself became a commodity. While forward currency contracts were common before 1971, the contracts were such that commitments were firm: there was no freedom to get out of a forward contract by, for example, selling it to someone else. Here, then, was an unfree market. Why not free it up by inventing a ‘currency option’ that could be bought and sold at will?

This question occurred to a trader on the Philadelphia Stock Exchange but he faced two obstacles when he tried to realise his new market invention. The first was a complex set of government regulations designed to meets the needs of the pre-1971 era. The second was a reluctance on the part of the makers of token money, the central banks, to participate.

By 10 December 1982 the obstacles were no more and the Philadelphia Stock Exchange began to trade currency options for the first time. The markets grew so big and powerful that the governments of the world proved incapable of controlling them. Not since the invention of paper money, writes Millman (1995) in his *The Vandals’ Crown: How Rebel Currency Traders Overthrew the World’s Central Banks*, has a financial invention had such impact. The central bankers, he notes, compare it to a nuclear explosion. Millman, for his part, likens the rebel currency traders to the Vandal kings, the Germanic tribe whose name is synonymous for wilful desecration and destruction. This analogy occurred to him as he watched them celebrate the end of a triumphant year in September 1993 in the Musée de Cluny in Paris where the crowns of the old Vandal kings hung suspended over their heads from golden chains. They were celebrating their destruction of the European Monetary System’s Exchange Rate Mechanism (ERM). ‘They had taken a great risk,’ notes Millman (1995:6), ‘and reaped a great reward.’ These new traders, he argues, are the most powerful people in the world today. The collapse of the ERM is the latest victory of free market anarchism over statism. ‘I’m a free market animal/ one of the new Vandal kings shouted at the celebration, ‘Supply and demand. Thats it, that the name of the game!’ (Millman, 1995:189).
These new Vandal kings, then, are the new rulers of the world and savage money is the instrument of their rule. They have converted state money tokens such as the U.S. $, the Japanese ¥, and the British £ into commodities and have assumed control of the their relative prices. However, the other side of the savage coin, the price of precious metals, is not fully under their control. It is here that the values of the subaltern gains its expression.

WOMEN AND GOODS IN INDIA

‘Jewelry is the same as money’, declared an Indian jewellery vendor to a hesitating customer. The customer, as Jacobson (1976:167) notes, was well aware of this fact. If my experience is anything to go by, the customer was probably hesitating because she was worried about the source of credit to finance her purchase and not the wisdom of spending large sums of money on jewellery. Typical, I suspect, is the action of the girl we employed to bring us our daily water when we were living in Bastar. Before leaving we made her a gift of some Rs 800 which was equivalent to about 100 days work at the going rate for a labourer. She immediately set off to the jewellers and came back proudly wearing a chunky silver necklace which attracted much favourable comment from people in the neighbourhood. It turned out that she paid Rs 1,000 having received Rs 200 credit from the merchant. She was from a very poor home—her mother was a widow—and the necklace was probably the most valuable possession the family owned. The cumulative actions of millions of people like this girl has created a market for Indian silver (and gold) that has defied world trends for hundreds of years. It is indices like that shown in Figure VIII.3 that have given India (and more generally Asia) its reputation as the ‘sink’ of the precious metals because when the Bombay price of silver is higher than the world price it means that silver pours into the country. The era of the silver bubble (1979–82) was one of the few times in the history of the country when the sink began to empty a little.

The precious metals, then, are obviously very important standards of value in Asia. The interesting theoretical question is not ‘Is silver money?’ but ‘What kind of standard of value is
it?' Is it a standard of *commodity* value, a standard of *good* value, a standard of *gift* value or a standard of some altogether different kind? Clearly, all of these answers contain elements of truth especially at the macro level. However, a comparison with the Hunt case above does enable us to make a few observations of comparative interest concerning the role of silver as a *good* in both elite and subaltern families.

Marcus’s research among the Texas elite shows that they are not totally money minded in the sense that standards of commodity value are not the only values they think about. A very important form of property is what he calls ‘sacred property’. Some of the personal property of the dead acquires this status as it passes on to descendants. It includes cheap items, such as pocket knives, combs, etc., and expensive items such as paintings, houses, land and furniture. ‘The importance of such property,’ he argues (1985:237), ‘is not its commodity value, but its domestic exchange value—the powerful sentimental meanings that an object acquires by its possession and transference and in the memories and it evokes among descendants.’ He found that value of this kind is created not by the will of the ancestor but by the more or less orderly *grabbing* by the descendants. This grabbing poses absolute restrictions on spending: ‘it defines a class of dynastic assets which as long as they carry sacred meanings must not be alienated’ (1985:238). It my terms, these ‘domestic values’ are *goods*, inalienable keepsakes.

Values of this kind create scarcity. It is clear that the type of scarcity the Hunt Brothers sought to bring about on the world silver market was not scarcity of this type. They were not concerned to convert silver into family *goods* but, rather, to establish *monopoly* control over the market so that they could *dictate* prices. In other words, free market anarchy as a political philosophy means freedom of the super rich to become dictators. But what about the Bombay silver market? Could it be that the prices on this market reflect a generalised tendency to convert commodities into goods?

The thesis is a plausible one. There can be no doubt that precious metals are highly valued as goods throughout Asia. I have given an example from my fieldwork in India above at the beginning of Chapter III. Consider the following case from Nias Island in Indonesia. Here villagers have three types of
ornaments for the house ancestors. The first are the original clan relics, distinguished as the ‘trunk of the marapu’ (ancestors) which are stored in a wooden chest at the peak of the clan’s ancestral house. These comprise gold and silver jewellery and they secure the ancestral spirit within the house. In other words, these metals have divine associations. It is forbidden to touch these relics. The second type consists of metal ornaments that are added to the oldest relics but are placed in a separate container; these are out of bounds but may be handled by old men. The third category is more general and includes several varieties of clan heirlooms; these may be viewed and handled by women and men (Rodgers, 1985: 174–75).

This example serves to remind us that the ‘sacredness’ of goods has as much to do with political theology as it does with religious belief. It is one thing for a person to believe that a certain object is ‘sacred’, quite another for elder males to deny younger males and women access to it. A political theology of goods is one that locates beliefs like this on the matrix that reveals associations between gold and silver, elite family and subaltern, men and woman, land and jewellery, etc. and analyses the power behind the patterns. A simple pattern found throughout, India, for example, is the correlation between gold and silver and rich and poor. This is cross cut by a correlation between land and jewellery and male and female. As Jacobson (1976:172) notes in her important essay on this topic, jewellery is owned primarily by women who tend to have less control over other forms of wealth. The most heavily ornamented women in the village usually belong to prosperous joint families where the land is owned and controlled by men. The family purse in these families is kept by the oldest woman who, in concert with the males, often prevails upon a daughter-in-law to pawn her ornaments. The jewellery of this woman falls into three categories: items purchased jointly by a couple after marriage, gifts from the spouse’s kin, and gifts from natal kin. It is improper for affines to ask for jewellery of the latter kind and if they do a woman is within her rights to refuse; however, for jewellery in the other categories the woman may find it impossible to resist. Jewellery, then, is at the heart of the gender politics of consanguinity and affinity. Daughters need inalienable keepsakes like jewellery in their
struggles to assert their dignity and humanity. The transformation of commodities into goods of this kind may not be able to explain the steady upward trend in the Bombay price of silver but it is certainly one of the contributing factors.

Standards of value are alike in that they are all expressions of power. But as power is never the same everywhere, different standards of value have emerged. Standards of commodity value are the dominant standards in the world today. They are the standards of free market anarchists and the statists. These values are behind the sentiments which label village people as ‘backward’ and their desire for goods as ‘unproductive’ and ‘contrary to the national interest’. They are also the sentiments which have informed government policies to change these values such as regulations designed to limit private holdings of gold and silver. They have failed, evidence that commodity standards of value do not prevail in all parts of the world. Of course, these opposing values are alternate but not necessarily subalternate. The value of gold as a good belongs as much to the elite as it does to the subaltern; the fact that the subalterns tend to hold silver rather than gold is an expression of their relative poverty. Political values cannot be read off the material form of things because that would be to read things upside down. Things are mere instruments of power and their values spring from the relations between people located historically, geographically and anthropologically.

ON THE SYMBOLISM OF MONEY: A SUMMARY STATEMENT

The symbolism of money is as simple as its historical realisation is complex. Symbolic analysis is a matter of grasping a material object in its historically specific concreteness and asking: ‘What material object was formerly united to this one?’ ‘What invisible value relation binds the two parts together today?’ ‘Who are the valuers behind this relation and what is the political nature of their relationship?’ There are as many answers to this question as there are material objects in the world and selection of the starting object depends on the problem being considered. My problem in this chapter has been the paramount money value in the world today and, as such, the money of the paramount power, the
U.S. dollar over the period 1934 to 1971 and beyond, was my starting object. The missing part of this material object, I argued, was the gold at Fort Knox; its original undivided form was the gold coin of yesteryear, and its present forms are the independent, but related, free markets for paper money, tokens and precious metals. The value relation that bound the two objects together over the period 1934 to 1971 was the U.S. government pledge to convert foreign holdings of dollars into gold at the fixed rate of 35:1, while the value relation effective after 1971 was the free market price. The power of the U.S. government maintained the former; free market anarchists control the latter and their power grows as they succeed in destroying yet more instruments of state control and in creating yet more new markets for symbolic objects that did not previously have a price. The ‘currency options’ market they have created is a market for state-created symbols of a type that has never existed before in financial history. An invariable measure of value has become a variable standard that is itself now measured by other formerly invariable standards in the quest for profit. This is commodity fetishism in its highest form. Traders gain not so much by trying to solve the mathematical quandary of finding the variable value of a variable standard by means of a variable standard but by observing the actions of the central banks, decoding their intentions, and doing, in most cases, precisely the opposite so that the aims of the banks are thwarted. This is the politics behind the fetishised meta-values and the traders are winning the battle at the moment. The implications of this struggle affects us all, from the anthropologist in the academy to the people they work amongst in the remotest village of India or Papua New Guinea. These are the forces that lie behind the free market anarchist values that both unify the world by the Market and divide into so many ethnic spaces in the name of this Culture and that Identity. These values have a history and will change over time but always as a result of the actions of people. Values like this are the water we goldfish— the living homo sapiens of today—swim in; hopefully, unlike goldfish, this water will not be the last thing we learn about. A culturalist approach to the theory of commodities that persists in dissolving historically specific unifying values into endless cultural diversity by appeal to the notion of ‘indigenisation’
(Appadurai, 1990) will never understand the symbolism of the money tokens that pass through their hands on countless occasions each and every day. Indigenisation is, of course, a factor in the world today but so too is ‘Americanisation’. These are not opposing tendencies but complementary expressions of the one underlying value: free market anarchism. Modern day leaders like Fiji’s Rabuka not only ‘indigenise’ Fiji by continuing to exchange whale teeth and by expelling the settler Indian population, they also actively embrace the values of high finance.

Figure VIII.1 below summarises of my argument in a schematic form. Those who like to think visually may find it useful device for grasping the essentials of the foregoing argument. It is clear that the free market for precious metals is one that is open to everyone from the subaltern villager in India to the elite families in Texas. The free market for token money, however, is, for the time being at least, in the hands of the elite, the new Vandal kings.

NOTES

1 Not domestic holders. U.S. citizens were legally prevented from holding gold in 1933. This law was not repealed until 31 December 1974.

2 Foreign reserves are held by countries to facilitate international trade. They fall when the balance of payments runs a deficit and rise when there is a surplus. They consist of gold and strong foreign currencies (See IMF, 1958: Ch.1). The official gold price
of 35 SDR was still being used in the 1990s, although market price valuations are now also included.

3 The only article on the topic to my knowledge is Brodsky and Sampson (1980b). This received some publicity in the March, April and September editions of South (1981).

4 'Most Americans were not aware of any serious economic deprivations during the most active phase of the Vietnam War 1966–69' (Stevens 1976:5).

5 Throughout the post war period the security of Europe has been the centre piece of U.S. foreign policy. In no other region have the two great superpowers deployed so many nuclear weapons’ (McNamara, 1986:20). U.S. warheads (missiles and bombs) grew from 450 in 1950 to 4750 in 1955 and stabilised at this level until 1970. In 1975 they numbered 8,500 and were around 11,200 just prior to the end of the Cold War.

6 Soviet economists familiar with Marx’s theory of gold and money also analysed the problem correctly. See Frumkin (1969).

7 See Garrison and Mayhew (1983) for an excellent internal critique of this argument.

8 Stevens (1976:11) makes the additional point that the extra budget allocations for defence came just as the country was arriving at full employment.

9 Defence expenditures accounted for 9% of GNP in this year. In 1945, by way of contrast, defence was 41 % of GNP. This did not bring about a dollar crisis because the gold flowed into the U.S. during the Second World War giving the dollar a backing in excess of 300% by 1945.


11 More precisely, the official reserves transactions balance.

12 Triffen (1979:5) examines this question and considers a number of answers. Incredibly, he overlooks the issue of de facto remonetisation of gold.

13 In 1972, 79% of world foreign exchange reserves were in the form of US dollars. By 1982 this had fallen to 60%. The Deutsche Mark has increased by 4.6% to 10.4% over the same period while the European Currency Unit (ECU), first established in 1979, accounted for 14.4% of total foreign exchange in 1982 (IMF, 1983). The ECU’S popularity was clearly related to its gold backing. The major European countries—West Germany, France, United Kingdom, Netherlands, Italy, Belgium—between them held 36% of the world’s monetary stock of gold in 1982. The ECU was backed by gold because all participating members were required to deposit 20% of their gold reserves with the European Monetary Co-operation Fund.
(Kettell, 1982:56). The European Monetary Systems Exchange Rate Mechanism of which this was part broke down in 1992–93 (See Millman, 1995).


15 See Gregory (1980) for an elaboration of this argument.

16 This is a mistake. He meant Jerome F. Smith.
CHAPTER IX
Toward a Radical Humanist Anthropology

Man is the measure of all things...
Each and every event is for me as it appears to me, and is for you as it appears for you.
Protagoras

We read the same facts differently. ‘Waterloo,’ with the same fixed details, spells a ‘victory’ for an Englishman; for a Frenchman it spells a ‘defeat.’
James (1907:118)

‘Its terrible!’ [as a description of a peasant rebellion] is obviously a theory of the landlord class; ‘Its fine!’ is the theory of the peasants.
Mao Tse-tung quoted in Guha (1983a:89)

AFFIRMING COEVALITY

This book has attempted to deal with the challenge posed by Fabian’s *Time and the Other: How Anthropology Makesits Object*. He defined the denial of coevalness as the ‘persistent and systematic tendency to place the referent(s) of anthropology in a Time other than the present of the producer of anthropological discourse’ (1983:31) and noted that its affirmation involves ‘the problematic simultaneity of different conflicting, and contradictory forms of consciousness’ (1983:146). The implication of his analysis is the need for a radical transformation in the way anthropologists think about the world. The current rash of writing about the Other by anthropologists would suggest that Fabian’s work has had
the opposite effect to that intended because, far from bringing about the dismantling of the notion of the Other, he has merely provided us with a semantic successor to the Savage, the Primitive, the Tribal and the Traditional. However, there is also evidence of a change in anthropological thinking as the politics of the era of savage money forces anthropologists to confront the moral dilemmas of thinking and working in the world today. The obligation of the anthropologist is no longer to merely represent the native point of view but to critique it. The native point of view has always been a problematic simultaneity of different conflicting and contradictory forms of consciousness even though it is often presented as otherwise. Free market anarchist values are just as much a part of the native point of view as the so-called non-Western values.

In this book I have tried to dismantle the notion of the anthropological Other by beginning with unity rather than difference. Free market anarchist values are dominant today and became ascendant after 1971 when President Nixon broke the forty year old U.S. government pledge to convert foreign dollar holdings into gold at the fixed rate of 35:1. This marked the symbolic fall of statism, the end of the era when the state was able to control the market for gold. I have called this new era of disorganised capitalism the era of ‘savage money’. In choosing this title I am not arguing that the economy is determinate in the last instance as certain varieties of Marxism would have it. To the contrary, I see the money form of value as a mere index of power analogous to the mercury in a thermometer; power, for its part, is analogous to the heat that moves the mercury. Power is a human relationship that assumes a myriad of historically, geographically and anthropologically specific forms; this is the basis of the economic relations such as wages, prices and profits as Sraffa (1960) showed.

Guha’s conception of power as a general relation of domination and subordination is nothing more than an intellectual tool for studying its many contingent manifestations. Whereas Dumont separates status from power and gives primacy to the former, Guha sees the struggle for prestige as an aspect of the manifestation of power. His work has quite literally changed the terms of debate about Indian society and culture and the question arises as to the
generality of the paradigm shift that he has sought to bring about. As I see it, his thought can be read as a partial rehabilitation of a radical humanist tradition of anthropological thought. The values, logic, and rhetoric of this school of thought are needed more than ever today by those of us who prefer to take a critical stance on the values that are now paramount in the world, values that affect the thought and actions of the anthropologist as much as the people they study.

Anthropologists, as Fabian reminds us, must come to terms with the fact that the relationship between the West and the Rest is first and foremost an imperialist power relationship. From the perspective of domesticated money, four eras are clearly defined: the three centuries from 1497 when the new Spanish dollar began its reign as the international standard of value; the century from 1825 when the English pound sterling was paramount; the half-century from 1934 when the U.S. dollar reigned supreme; and the era of savage money which began in 1971 when the U.S. dollar went wild. The history of anthropological thought can be read both as an apology for these relations of domination as well as a radical humanist critique of them. This ambivalence is to be found as much within the thought of a single anthropologist as it is between them. It is also necessary to see the paradoxes and contradictions within images of the West and the Rest that scholars in other disciplines have developed. Such images must inform the premises of any anthropological analysis and it is necessary to be constantly questioning them.

Nelson's (1969) idea of the rise of modern capitalism as a journey from Tribal Brotherhood to Universal Otherhood is a seductive one that captures something of the transformations in value that have occurred since Columbus. This argument is a variation on a familiar theme: status to contract, organic solidarity to mechanical solidarity, feudalism to capitalism, the rise of individualism. My fieldwork on markets and merchants in India, along with the comparative work I have done on money as reported in this book, leads me to question not so much the conceptual distinction between Otherhood and Brotherhood as the evolutionary theory that informs dichotomies of this kind. What he calls the 'Deuteronomic double standard'—make a profit from Others but not Brothers
—has not been resolved in favour of Otherhood by the elimination of Brotherhood but, rather, has seen profit making emerge as a paramount value of the Brotherhood. Thus the commonplace contradiction of the double standard has created a situation where the Universal Otherhood of the market has become a dominant value because of the strength, especially in the rural areas of Asia, of Tribal Brotherhood as a value.

Brotherhood, I have tried to show, divides, in the first instance, into superalternate and subalternate varieties. The internal workings of any Brotherhood are informed by the values of patriarchy, its external workings by the values of temporality and territoriality. These create stratified Brotherhoods characterised by discrete boundaries of inclusion and exclusion rather than smooth continuities. The Brotherhood is not only a feature of so-called ‘semi-feudal’ countries like India. As I have shown in Chapter III, the values of an elite English Brotherhood maintained land as an inalienable keepsake, as a good, and this helped capitalist commodity production to flourish in that country in an historically unprecedented way.

The Brotherhood is to the House as Otherhood is to the Market and Nationhood is to the State. But whereas the Otherhood found in the Market is a universalising and unifying value, Brotherhood is a particularist and divisive cultural force. As values, Brotherhood, Otherhood and Nationhood can coexist but the form of the coevality is forever changing. If the statism of the era of the U.S. dollar was characterised by the intersection of Otherhood and Nationhood, the free market anarchism of the era of savage money is defined by a new intersection, that of Otherhood and Brotherhood as manifested in the new ‘clean’ ethnic spaces that are being created in some parts of the world today.

The cultural constructionists of the montage school have identified this post-modern cultural diversity and given it pride of place in their analysis. As such, the historical unity upon which diversity is premised is de-emphasised and the commonplace contradictions between the coeval values often overlooked. Culturalists employ the logic of juxtaposition and the rhetoric of representation to decode the meaning of cultural diversity. But the unmeaningness of the connections that can arise from commonplace contradictions, identified
and analysed by Das (1994b), pose insoluble problems for the cultural constructionist school as they struggle to come to terms with the real problems posed by the era of savage money.

Consider the new series, *Late Editions: Cultural Studies for the End of the Century*, the first edition of which appeared as *Perilous States: Conversations on Culture, Politics and Nation* edited by George Marcus (1993a). This is heralded as a new *fin-de-siècle* style of ethnographical research and writing aimed to provide ‘unconventional but deep access to emergent cultural formations’; it emphasises ‘direct exposure to the quality of other “voices”’ (Marcus, 1993b:1). What ‘deep access’ means can be seen by examining one of the essays, that by Holmes entitled ‘Illicit Discourse’. This essay consists of 24 pages, some 18 of which consists of direct quotation. Most of this is in the form of an interview with Bruno Gollnisch, a Member of the European Parliament and a member of the Technical Group of the European Right led by Jean-Marie Le Pen. The interview is interspersed with quotations from a report on the Committee of Inquiry into Racism and Xenophobia. Here is a sample.

HOLMES: But the implication of Mr. Le Pen’s polices can lead to discriminations based on race?

GOLLNISCH: Yes, but it depends on the way you take the word *racism*. Our adversaries try to say that it is a racist policy to retain some form of identity. Obviously, it is easier to assimilate if your origins are from the same race, culture, religion, and so on, than for people from a completely different race, culture, and religion from the majority of the people in the country. I don’t know if Le Pen told you when you met him but there was an interview when he went to America... Among the questions put to Le Pen was ‘Why are you against immigration, because you see a country like America built entirely on immigration?’ Le Pen responded, ‘Yes, I know this, but remember in France I am the representative of the aborigines.’ American immigration policy may have been good for the melting pot, but certainly not for the Sioux, Navaho, and so on (Holmes, 1993:266).
What is the reader to make of texts like this? Is this an anthropology of the sort of views that go to make up what I have called free market anarchism or is it an apology for them? Holmes (1993:257), to his credit, asks himself this question and notes that it ‘gets at the heart of what anthropologists owe to their informants’ (emphasis added). He decides to err ‘on the side of candour, depicting the arresting character of various political aspirations while opening interpretation and scrutiny to the reader’. But is he not abdicating responsibility by doing this? A member of the editorial board, who was concerned ‘about the danger of letting Gollnisch’s commentary stand unanswered or unengaged by his interviewer’, raised this question (Marcus, 1993b:13). Marcus defends Holmes’ position on the grounds that he uses excerpts from the Committee on Racism report ‘which effectively juxtaposes the simplifications in “social analysis” commentary to the disturbing complexities of well-articulated right-wing positions’ (emphasis added). But wherein lies the effectiveness of this juxtaposition? Marcus merely asserts that it is effective; he does not argue the case.

One problem with montage, as its leading theorist Sergei Eisenstein (1943) noted, is that it is a form of logic that relies on established conventions; as such, it is possible to draw the wrong conclusions from juxtapositions. When two facts, two phenomena or two objects are juxtaposed, he notes, we are accustomed to make, almost automatically, a deductive generalisation. When we see a woman in mourning weeping beside a grave, notes Eisenstein (1943:14–15) we tend to jump to the conclusion that the woman is a widow; a writer like Bierce, he adds, exploits this quality of montage for creative effect:

A Woman in widow’s weeds was weeping upon a grave. Console yourself, madam,’ said a Sympathetic Stranger. ‘Heaven’s mercies are infinite. There is another man somewhere, beside your husband, with whom you can still be happy.’ ‘There was,’ she sobbed—‘there was, but this is his grave.’ (Quoted in Eisenstein, 1943:14–15).

Montage, then, must be handled very carefully to get the effect desired. Representation A juxtaposed with representation B
will not necessarily give the desired effect. As Eisenstein (1943:19) noted:

> Representation A and representation B must be selected from all the possible features within the theme that is being developed, must be sought for, so that their juxtaposition—that is the juxtaposition of those very elements and not alternative ones—shall evoke in the perception and feelings of the spectator the most complete image of the theme itself.

While ‘scissors and paste’ montage is obviously the essence of a temporal medium like film, in a written article it becomes a series of sequential collages that evokes confusion in the reader rather than an image of a unifying theme. Marcus implicitly recognises this when he gives us the benefit of his editorial authority. ‘Holmes’s point,’ he (1993b:13) tells us, ‘is that the left-right traditional frame of political discourse in the new Europe is evolving into really different kinds of moral allegories that conventional social science or theory, as yet, fails to grasp.’ Such editorial intervention only serves to confuse the issue further. If this is Holmes’s antithesis, what is his thesis?

Some members of the editorial board also had worries about another article in collection where the unchallenged views of certain apologists for the Russian government are represented. ‘In this case,’ Marcus (1993b:14) argues, ‘the staged cross-referencing of the interviews is a reflexive technique of presentation which should reinforce suspiciousness of readers about taking any of the statements at face value.’ Authoritative editorial interventions of this kind may stop the reader from taking the statements at face value but how do they help the reader to gain deep access? If *Late Editions* provides no answer to this question, it deserves credit for having raised an extremely important moral issue. Le Pen, after all, is not the only Aborigine who holds such views. One can find Australian Aborigines who think like him on certain issues. What is the anthropologist to do with such values? Is it sufficient to translate and represent them? It seems to me that juxtaposition of views does not amount to the affirmation of coevality and that the problem can only be confronted by going beyond
culture theory in whatever form. This includes the Chicago ‘historical ethnography’ school of global culture whose theories reproduce the same problems as the cultural juxtapositionalists, if in a slightly different way. Sahlins’s (1994) ‘Goodbye to Tristes Tropes: Ethnography in the Context of Modern World History’ serves to illustrate this point.

Sahlins draws our attention to the paradox ‘that global modernity is often reproduced as local diversity’ (1994:377). The apparent unity of world capitalism, he argues, is everywhere dissolved by the novel accents it acquires in particular places. The first commercial impulse of the [colonised] people is not to become just like us but more like themselves,’ he writes (1994:388). The empire is striking back. We are witnessing, he argues, a ‘spontaneous, worldwide movement of cultural defiance, whose full meanings and historic effects are yet to be determined’ (1994:379). What needs to be studied, he says, is the ‘indigenization of modernity’ (1994:390). He illustrates this notion with brief discussion of the history of Fiji, a subject on which he has done a great deal of original research. In vintage Sahlins fashion, he inverts the orthodoxy by asserting that ‘it was not European muskets that made Fijian chiefs powerful so much as the chiefs that made the muskets historically powerful’ (1994:391). This argument is illustrated by examining the history of whale teeth in Fiji, items that fetch an extraordinarily high price in the pawnshops of Suva today. He notes, too, that Colonel Rabuka, who led a coup d’état in 1987, begged forgiveness from traditional authorities by the presentation of whale teeth.

The general thrust of arguments of this kind cannot be denied. Indeed, I noticed similar things happening in PNG. In Gifts and Commodities, for example, I argued that there was a ‘tendency for the transformation of commodities into gifts’. However, I also argued for the countervailing tendency and for the existence of a contradiction between the two. Sahlins does not give any weight to this countervailing tendency. As Jonathan Friedman (1994:12) notes, ‘while there is surely a tendency towards a local encompassment of the global in cultural terms, there is at the same time an encompassment of the local by the global in material terms.’ Sahlins is aware of arguments of this type but he argues against them. Sahlins
asserts that ‘not everything in the contest is contested’ and develops the following argument about the importance of non-contradiction:

In order for categories to be contested at all, there must be a common system of intelligibility, extending to the grounds, means, modes, and issues of disagreement. It would be difficult to understand how a society could function, let alone how any knowledge of it could be constituted, if there were not some meaningful order in the differences. If in regard to some given event or phenomenon, the women of a community say one thing and the men another, it is not because men and women have different positions in, and experience of, the same social universe of discourse? Are not the differences in what men and women say expressions of the social differences in the construction of gender? If so, there is a noncontradictory way—may one say, totalizing way?—of describing the contradictions, a system of and in the differences (Sahlins, 1994:386).

A common system of intelligibility presupposes reciprocal recognition. In such a case, there is a ‘noncontradictory way of totalising’: hierarchical opposition of non-antagonistic Radcliffe-Brownian, Lévi-Straussian, Dumontian, etc. kind. But there is no common system of intelligibility with asymmetrical recognition. This is what characterises commonplace contradiction. The history of Fiji provides ample illustration of this contradiction if one considers the history of the Indian community in Fiji. Significantly, Sahlins does not mention this history when talking about the indigenisation of modernity in Fiji. Rabuka’s conception of Fijian culture cannot be understood without reference to this antagonistic contradiction. His values with respect to the Fijian Indians are, I suggest, of the depressingly familiar free market anarchist variety; he and Le Pen and have much in common on this point. He has other whale-teeth type values too, of course, and he switches between these opportunistically. The events of 1987 suggest that the switching he did then had one common aim: to eliminate the commonplace contradiction
between Indians and Fijians through the creation of a ‘clean’ cultural Aboriginal Fijian space.

Anthropologists should not be like the Sympathetic Stranger in Bierce’s tale. Nor should they be Unsympathetic Strangers. Anthropologists need values to cope with the dilemmas of coevalness: we need theories to help us describe what is and we need norms to help us evaluate the facts as we see them. In other words, if coevality is to be affirmed and the dominant unifying values of the world today are to be correctly identified and criticised, then we must move from the reifications of culture theory to a humanist value theory.

TOWARD A RADICAL HUMANIST
ANTHROPOLOGY

A sympathetic reading of the history of anthropological thought reveals a long history of critical humanist thought. However, to find it one must sometimes get beyond explicit positions to the implicit assumptions. Many anthropologists of the interwar period concealed a passionate commitment to the values of a humanist anthropology behind an explicit advocacy of a dispassionate, valuefree, social scientism. They did not take a dispassionate value free approach to the rise of fascism in the 1930s. This contradiction is apparent in a book such as Firth’s (1938) Human Types. This has the rhetoric of a dispassionate scientist but the passions of a humanist as anthropological evidence is marshalled to debunk the racist views about Aboriginal peoples. It is interesting to note that in his latest book Firth (1995) actually identifies as a humanist of the scientific realist variety. Radcliffe-Brown’s humanism is, paradoxically, most explicit in his most scientific book, Natural Science of Society (1957). Here we find culture defined as ‘a certain standardization of behavior, inner and outer, in a certain group of human beings’ (1957:92). ‘Culture,’ he adds, ‘continues by the fact that individuals are subjected to acts of other people on them, not to acts of culture’ (emphasis added). He then proceeds to critique the cultural constructionists of his time for the ‘fallacy of reification of culture’. This fallacy, as my discussion of the work of Appadurai in Chapter II revealed, is not only alive and well
today, it is championed as a methodological principle of great originality.

Radcliffe-Brown’s scientism leads him to erect a barrier between fact and morality and to place an intellectual taboo on the latter. For example, in his discussion of the Principle of Justice, which he calls ‘the fundamental principle of human society’, he argues that ‘such a principle is not to be discussed ethically’. The social scientist, ‘is not concerned with what justice ought to be. He is concerned only with finding what actual principles have appeared and in what form in various societies they represent justice’ (1957:131). This taboo, along with the principle of contradiction that informs his theory of society and culture, gives his humanism a non-radical twist. ‘One way of standardizing behavior in such a way that there cannot be any dispute or disagreement/ he argues (1957:138), ‘is to standardize value.’ Yes, but how to establish the standard? ‘Principles,’ he answers (1957:140), ‘vary only according to the different standards of what is adjudged as just in different social systems. All revert to one fundamental point: to the need for the adjustment of interests between individuals.’ But what if there is irreconcilable conflict between individuals? While Radcliffe-Brown (1957:118–9) has contradiction at the centre of his theory of society, it is contradiction of the nonantagonistic, ying-yang kind. The way to avoid disagreement, then, is to standardise value by imposing the values of the elite onto the society as a whole. If Dumont has described how an ideal Indian hierarchical society functions, then Radcliffe-Brown has described the egalitarian Aboriginal Australian equivalent. He was not blind to the fact, for example, that the Kariara were living as station hands on their dispossessed land, he just denied the coevalness of antagonistic commonplace contradictions of this kind.

The affirmation of the coexistence of contradictory forms of consciousness has implications for a theory of knowledge. The American humanist philosopher, RC. Schiller, stressed this point in his interpretation of the ancient debate between Plato and Protagoras the humanist.

Throughout the Theaetetus...Plato has made the assumption that ‘knowledge’ is of ‘universals’ and not concerned or connected with the fleeting and variable
judgements of individual men about their personal experience, that thought and sense-perception are antithetical and hostile, that the logical concept is something wholly superior to and independent of the psychical process, and the Protagorean suggestion, to start the theory of knowing from the actual knowing of the individual’s perceptions is a proposal for the abolition of truth. No wonder after this that it becomes for him a serious ‘contradiction’ when A judges to be warm and B judges to be cold, seeing that ‘it’ cannot be both. But ‘it’ does not exist in abstraction from the divergent judgements; ‘it’ stands in this case for the problem of constructing a ‘common’ perception; if the two ‘its’ are to be brought together into an objective scheme of temperature, A and B must set to work to construct a thermometer, as to the readings of which they can agree. Plato, therefore, has merely debarred himself from understanding the de facto genesis and development of our common world of subjective intercourse, and by starting with abstraction from the personal character of both judgements, he has manufactured a fallacious contradiction (Schiller, 1907: 109).

Schiller’s philosophy was inspired by William James’s pragmatism and his work contains many thought provoking ideas. But his humanism, too, is conservative. He was a eugenicist who regarded the offspring of the lower class as less fit than those of the upper class. His ideal eugenical state, his biographer notes (Abel, 1965:145–46), would encourage superior individuals. Such ideas, I believe, spring from the ahistorical and non-anthropological assumptions that inform his variety of humanism. ‘Humanism,’ he says (1907:12), ‘is really in itself the simplest of philosophic standpoints: it is merely the perception that the philosophic problem concerns human beings striving to comprehend a world of human experience by the resources of human mind’ (emphasis added). Psychology, then, was the foundation of Schiller’s humanism. He recognised this much and described his position as a form of ‘logical psychology’. In other words, individual cognition rather than reciprocal recognition was the basis of his
humanism. A radical humanist does not deny the importance of individual cognition but assigns it a secondary role behind reciprocal recognition. The latter, as I have tried to show in this book, elevates an historically informed anthropology to pride of place above psychology.

A humanism of this kind has its historical precedents in the logical and rhetorical writings of John Milton, the great English poet and revolutionary of the seventeenth century. Milton (1672 [1982]) was one of the last writers in the Ramist logical tradition. His logic, like most Ramist logics, consisted of two parts. The first part dealt with the ‘inventions’ of commonplace logic, the second part with the ‘dispositions’ of axiomatic logic. Commonplace logic, which has a long history going back to Aristotle, fell by the wayside as the mathematicians in the post-Cartesian world concentrated on developing the formal existential logic of axiomatic thought. By the mid-nineteenth century it was as if the tradition of commonplace logic never existed. Boole’s logic, for example, is based solely on the principle of axiomatic contradiction, the idea that nothing is both x and not-x.

Milton makes much of the distinction between commonplace and axiomatic contradiction, one of the few logicians in the English tradition to do so, as far as I can tell. Commonplace logic is of no use to the mathematician because, by definition, it is based on a form of doubt that scepticism cannot transform into a self-evident truth. Whereas Cartesian style scepticism raises questions to remove doubt, pre-Cartesian scepticism raises questions to create doubt. Commonplace logic, then, is a logic of doubt; a logic where the argument ‘A is B’ is thrown into doubt by asking ‘Is A B?’ It questions the logical commonplace that is supposed to link the antecedent A with the consequent B. These commonplaces, grounded as they are in history, geography and anthropology, are always open to question. Consider the following example from Cicero’s Topica. If a wife was bequeathed silver by her husband, is coin found in the house hers? Using the argument commonplace genus, notes Cicero (1960:391), one can argue in the affirmative because coin (A) is silver (B) via the commonplace genus. Arguments like this only hold when and where silver is coined. This particular argument was relevant in Europe from Cicero’s time to 1914 when token coinage
entered circulation, sending the precious metal content of
to places like Fort Knox. In other words, *commonplace* logic has historical and geographical *generality*;
unlike *axiomatic* logic, it makes no *eternal* and *universal* truth claims.

What then is a commonplace contradiction for Milton? This is found in his discussion of *negating contraries* which are opposed to *affirming contraries*. The latter include *relatives*, such as father/son or the eaglehawk/crow distinction as understood by the Australian Aborigines, and *adverses* such as pure/impure in the Indian sense. In my language, these affirning contraries presuppose *reciprocal recognition*. Negating contraries are those characterised by asymmetrical recognition and they fall into two types: *contradictories* and *privation*. An example of the former is the Englishman who says ‘Waterloo spells victory’ and finds himself contradicted by the Frenchman who says ‘Waterloo does not spell victory’. An example of privation is the Aristotle who says ‘Slavery is natural because slaves have no soul’ and finds himself questioned by the slave who claims he has a soul.

This, at least, is my interpretation of the implications of Milton’s important logical distinctions. Others, I hasten to add, find little value in Milton’s logical work. On this point I part company with Fabian (1982:178) who, quoting the formidable authority of W.J. Ong, dismisses Milton’s logic as philosophy for teenagers. What is more, he finds in the Ramist tradition the philosophical origins of his ‘denial of coevality’ thesis. I could not disagree more. If coevality is to be affirmed then commonplace contradiction is to be affirmed.

It is beyond the scope of this book to dispute Fabian (and Ong) on the value of Milton’s logic. I can merely assert my belief that Guha’s ‘logic of subaltern consciousness’ and Lévi-Strauss’s ‘logic of concrete quality’ develop Book I of Milton’s logic in a way that Boole’s logic develops Book II. This requires a critical analysis of Milton’s logic in the light of Boole, Lévi-Strauss and Guha. Such an analysis, situated in the light of twentieth century anthropological thought on the ‘modes of thought’ question, would, I believe, reveal that the ‘logical scandals’ supposedly found in the heads of informants reside in the head of the anthropologist. It would reveal, too, the problems involved in an anthropology that begins with
psychology rather than an historically informed conception of anthropological unity. In sum, Marcus and company have moved us in the right direction by rehabilitating a humanist rhetoric; the task is now to rehabilitate humanist logic.

A final word must be said about the concept of subalternity. This word has at least two meanings in Guha’s work. On the one hand it is a social scientific classification which refers to that segment of the population left after the numbers in the triumvirate of government officials, money lenders, and landlords have been deducted. On the other hand, subalternity as a value refers to that form of critical consciousness which, for example, leads slaves to question the values of their masters. When such questioning leads to rebellion the commonplace contradictions create sharp social divisions as villagers switch value systems. The result is that actions such as the wrecking, burning, looting and plunder of elite property acquire positive values. Before the rebellion these values are subordinated to others, be they those of a temple priest, day-labourer, vegetable seller, or bank robber. Value switching, then, brings about a qualitative change in the social fabric of society analogous to that of a rite de passage as, for example, when the criminal dies and is reborn a rebel. These switches are not always obvious to outsiders and Guha (1983a:99) cites an instance where a clash between a group’s view of themselves as rebels and a policeman’s insistence on dealing with them as criminals triggered off an insurrection. Rival cognitions, then, may lead to violence but this is by no means a necessary implication. The working out of the logic of commonplace contradiction is always concrete, always located historically, geographically, and anthropologically. Subalternity as a value, then, is a form of consciousness about human relationships.

Subalternity as the radical questioning of the received doctrine of the elite is not something that only politically subordinated people can do. It is a value that intellectuals can appropriate for themselves if they so desire; for the radical humanist intellectual subalternity is the supreme value.
NOTES

1 See Waterfield (1987:30) for the context of this famous statement and a commentary on Plato reportage of it.

2 Nelson’s notion of the Other, as I mentioned in the chapters above, must not be confused with Fabian’s notion; Nelson’s Otherhood is akin to Marx’s notion of alienation.

3 Milton used the term Latin term *topica* which comes from the Greek *topos* for ‘place’. Translators of logical texts for this period generally prefer the English ‘topic’ but the word ‘commonplace’ is also frequently used.

4 See Ong’s introduction to Milton 1982.


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