

ferences or stable tastes and the prices and quantity of goods, but economic sociologists see such meanings as culturally and historically 'constructed'. Finally, economics assumes that only tastes and resource scarcity (plus technology) constrain economic action and actors, whereas economic sociology considers a wide range of social, institutional and cultural constraints, notably the constraining influence of power.

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ECONOMIC ANTHROPOLOGY

Economic anthropology is the study of economic institutions and behaviour using ethnographic methods (Plattner 1989). The ethnographic approach entails an in-depth, holistic and longitudinal study of one society, using multiple methods, including participant observation. This empirical approach to the study of the economy sets economic anthropology apart from economics. For most of its history, economic anthropologists defined themselves in relation to the other, more influential discipline (Wilk 1996), either using neoclassical theories and concepts in the study of traditional economies, or arguing that these were inadequate in explaining the economic behaviour of people in traditional societies. This was the key issue in the polemic debate between substantivists and formalists that dominated economic anthropology from the late 1950s to the early 1970s.

Bronislaw Malinowski was the first anthropologist to engage with the discipline of economics in his ethnography *Argonauts of the Western Pacific* (1922). Malinowski argued that Trobrianders did not fit economists' models, and described how Trobrianders' engagement in economic activities, like the ritual kula exchange, in which men from different islands traded shell valuables, was not motivated by their desire to satisfy material wants but to achieve social distinction. Malinowski also stressed the magical practices that were critical for Trobrianders in ensuring successful seafaring trading expeditions, thereby blurring the boundaries between the analysis of economic and religious domains and thus raising the issue of what constitutes the 'economy' in both traditional and capitalist societies.

Until the 1950s economic anthropology was primarily a descriptive field that covered one of the domains of traditional societies, in which economy essentially equalled technology. Some texts labelled all non-industrial economies as primitive economies, lumping Australian foragers together with Indian peasants and African pastoralists. Others classified economies by adaptive strategies, e.g. foraging, horticulture, agriculture, pastoralism, and studied the economy within a functionalist (Forde 1934) or cultural ecology framework (Steward 1955).

The emergence of economic anthropology as a separate field was signalled by the publication of Herskovitz' *Economic Anthropology* (1952) in which the author argued for the universality of economizing, i.e. the logic of rational choice in a situation of scarcity. This assumption was contested by the economic historian Karl Polanyi, who argued that there were two meanings of the economy: the substantive, which refers to a category of observable behaviour, e.g. production, consumption, distribution; and the formal, which refers to the logic of rational choice. Formalists

(LeClair and Schneider 1968) assumed this logic universal, while substantivists (Polanyi *et al.* 1957) argued that rational choice is only 'instituted' in the sociocultural and political systems of capitalist societies, and that in other societies, principles such as reciprocity and redistribution guide economic behaviour, i.e. exchange. Marshall Sahlins (1972) later developed this typology of exchange systems and further distinguished between generalized, balanced, and negative reciprocity.

In the 1970s Marxists anthropologists moved away from typologies of societies based on exchange systems and instead focused on systems of production. Eric Wolf (1982) argued that the European capitalist expansion had transformed societies throughout the world and that the traditional economies studied by anthropologists were in part a product of this expansion. One of the implications was that anthropologists could no longer study traditional economies in isolation, but had to consider the capitalist world systems in their analysis. French Marxist anthropologists, like Meillassoux (1981), conducted detailed ethnographic studies of the process of articulation of modes of production in Africa in which the dominant capitalist mode of production developed further by extracting surplus production and labour from traditional modes of production. Marxists anthropologists in the USA primarily focused on inequalities within societies and the role of power and ideology herein (e.g. Donham 1990).

Most economic anthropologists are members of the Society for Economic Anthropology (SEA), which was formed in 1980 by anthropologists and archaeologists who reunited the discipline after the substantivist-formalist debate. Selected papers from the society's annual meetings are published as *Monographs in Economic Anthropology* (Volume 20 was published in 2004). Another important series of ethnographic, archaeological and historical papers

is *Research in Economic Anthropology*, published by JAI Press.

In the last two decades, the boundaries between economics and economic anthropology have become fuzzier as anthropologists are increasingly studying western societies and the emergence of heterodox economics. This has coincided with a proliferation of monographs that combine social, cultural, institutional and economic analysis in the study of the interaction of the local and the global. New institutional analyses have been successfully used by anthropologists, for example in the study the emergence of markets in pastoral societies (Ensminger 1992), others have examined how processes of transnational capitalism shape and are shaped by local indigenous people in new and unexpected ways (e.g. Freeman 2000). The integration of different analyses, focus on interaction between structure and agency, and transnational ethnography have made economic anthropology one of the most dynamic fields within anthropology, such that today it is best defined as 'something that economic anthropologists do'.

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MARK MORITZ

ECONOMIC DEVELOPMENT

Social factors of economic development

In the standard literature, economic development is often thought of as an essentially technological process, where we would find more effective ways (technologies) to combine various factors of production – capital, labour and land. Obviously if the world worked in this kind of way, all countries that have similar endowments of the factors of production and using the same technology (which, in the standard literature, is assumed to be equally available to all countries that are willing to pay for it) should be equally successful in economic development. That this is usually not the case is what makes us interested in less tangible, less quantifiable 'social' aspects of economic development.

The problem is that, while many would agree that social factors matter for economic development, there is little agreement on what these social factors are and, more importantly, how exactly they matter. Below, we examine three main groups of literature in which the role of social factors in economic development is emphasized,