

**AN201 Introduction to Anthropology**

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# **Economy**

**Niti Pawakapan**

## **Mekong Delta:** Documentary film

- Economy, livelihood & culture, ecosystem – all connected
- Mekong Delta affected by the **upstream activities** (dam buildings) and the **climate change** [both are human activities]
  - Climate change: Rise of the sea level & Influx of saltwater (affected the water resources system in the delta)
- Local fishing – for their own consumption and economy (livelihood & income/economy [folk/traditional system])
- Fish industry [capitalist system]
- Increase of rice production – increasing use of fertilizer and pesticide [agro-industry, part of capitalist system]
  - a. Local people live with two economic systems
  - b. Both systems are affected by the climate change

## Discussion topics

- Economic anthropological perspectives
- Economic development and climate change
  - Competition over resources: land, water, agro-industry, fish industry, energy (hydroelectric dams [causing droughts in Mekong], wind power)
  - Consumption (& the growing, new consumption, Khun Yuam case)
  - Climate change impacts
- Globalization & Regional Economic Development
  - Global Economy, Borderlands & Cross-Border Trade (Khun Yuam case)
  - Flows & Borderlessness
  - Post-Covid 19 & Decline of Globalization(?)

## Economic anthropological perspectives

- What forms human relationships?
- Relationships through economic activities (which are often related to social relations, such as family, friends, neighbours, and other forms).

## Most common and important socio-economic relationships

- Exchange
- Reciprocity – behaviour in which two people or groups of people give each other help and advantages, especially through economic activities.

## Modes of exchange (Sarah Lyon's "Economics")

1. Market exchange [contemporary economics, Sarah Lyon remarks; but anthropologists also study it]
2. Reciprocity
  - Generalized reciprocity: giving without expecting a specific thing in return.
  - Balanced reciprocity: the exchange of something with the expectation that something of equal value will be returned within a specific time period.
3. Redistribution: the accumulation of goods or labor by a particular person or institution for the purpose of dispersal at a later date. Redistribution is found in all societies.

## Glossary [Sarah Lyon's]

- **Consumption:** the process of buying, eating, or using a resource, food, commodity, or service.
- **General purpose money:** a medium of exchange that can be used in all economic transactions.
- **Homo economicus:** a term used to describe a person who would make rational decisions in ways predicted by economic theories.
- **Means of production:** the resources used to produce goods in a society such as land for farming or factories.
- **Negative reciprocity:** an attempt to get something for nothing; exchange in which both parties try to take advantage of the other.

## Glossary (cont.)

- **Mode of production:** the social relations through which human labor is used to transform energy from nature using tools, skills, organization, and knowledge.
- **Political economy:** an approach in anthropology that investigates the historical evolution of economic relationships as well as the contemporary political processes and social structures that contribute to differences in income and wealth.
- **Structural violence:** a form of violence in which a social structure or institution harms people by preventing them from meeting their basic needs.
- **Subsistence farmers:** people who raise plants and animals for their own consumption, but not for sale to others.

## Economic anthropology: some main themes

- Exchange (system)
  - Trade
  - Barter – the action or system of exchanging goods or services without using money; exchange in kind – and labour
- Places
  - Markets – market places to market towns
- Medium
  - Money

## Economic anthropology: some main themes (cont.)

- Objects

- Goods or commodity
- Gifts (things that have social and economic meanings)

### People and objects (Arjun Appadurai)

- Socio-economic meanings of objects given by the people
  - Gift and Commodity – objects have many meanings
  - “Social Trajectory” of objects
    - People (including traders) – different groups given different meanings
    - Places (including markets) – different places given different meanings

## Money [Sarah Lyon's]

- The Tiv people and Ithaca HOURS

## Georg Simmel [Mathieu Deflem's reading]

- Value (of an object) can be objective, but desire (of the people who want the objects) is subjective; 'it is through money that subjective values ... become objectified'.
- The value is determined by the desire that people have to obtain an object, not the use-value of the object. Trade is ... essential to the constitution of money's value, for trade allow objects to become exchangeable with a value that can be expressed in monetary terms.

## Georg Simmel (Cont.)

- Money represents the objectified articulation of exchange relationships ... it is the transformer of objects into commodities. Money in modern society becomes more and more functional; it establishes relationships, and ties people to one another by the flow of goods and services. The price of a product in this exchange is 'the measure of exchangeability that exists between it and the totality of other products'.

## Eric Wolf – 3 distinct Modes of Production:

### a. Domestic (kin-ordered)

- Small-scale subsistence farmers [**subsistence economy**]

### b. Tributary

### c. Capitalist

## Commodities and Global Capitalism

- Commodities for global consumption (*cash crops*): Darjeeling Tea, coffee, sugar, corn, banana [**Chinese capital, plantations in Laos**], etc.
- *Cash crops* and for self consumption: rice, mixed farming (rice, vegetables, fish, animals).
- Farming and non-farm income (waged work, self-employed, trade, etc.).

## **Karl Polanyi** [whose concepts are used in economic anthropology]

- All commodities – goods produced for sale – are potential objects of trade; one commodity is moving in one direction, the other in the opposite direction; **the movement is controlled by prices: trade and market are co-terminous. All trade is market trade.**
- **Trade** is not so much an individual as rather a **group activity**. ... Trade thus centers in the meeting of different communities, one of its purposes being the exchange of goods.

## Markets

- Central places (Skinner) – networks of rural markets, where Chinese peasants sold their produces, trading with other peasants/traders, looking for supplies, etc.
- Markets where shop owners/creditors-farmers/debtors form mutual relations (Preecha Kuwinpant) – Wang Thong, Phitsanulok
  - Fresh markets – selling fresh food; very common in Southeast Asia
  - Food markets – selling cooked food
  - Particular goods – fish markets, flower markets, vegetable & fruit markets, electronic markets, etc.
  - Services – fortune tellers, traditional Thai massage (before tourism boom)
  - No goods! – Stock markets

## **Formal economy**

activities which are taxed and monitored by the government and the activities involved are included in the Gross Domestic Product (GDP).

## **Informal economy**

is neither taxed nor included in the GDP and Gross national product (GNP) of a country. The informal sector can be described as a grey market in labour.

Both are defined by the economic and legal perspectives, not the anthropological one.

## (Formal & informal economy)

- In Thailand and other countries in Southeast Asia, informal economy is a driving force of the economy, owing to the inefficiencies of the legal and bureaucratic systems.
  - Informal economy creates jobs and income.
  - Informal economy provides services to the formal sector [street food vendors to office workers, taxi drivers and souvenir sellers to tourists, motorcycle taxi messengers to companies, etc.].
  - Both systems may coexist & cooperate, especially in Southeast Asia and other regions.
- In fact, informal economy (especially, the self-employed) is a driving force of the economy, such as in the cross-border trade.

## Globalization & Global Economy in Southeast Asia

- Global-Regional Economy – linking SEA with global economy
  - Greater Mekong Subregion: East-West Economic Corridor – Myanmar-Thailand-Laos-Vietnam
  - R3A Road – Thailand-Laos-China
  - BIMSTEC (The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation). 7 nations; Bangladesh, India, Myanmar, Sri Lanka, Thailand, Nepal and Bhutan. A combined gross domestic product of \$3.5 trillion (based on 2018)
  - and others?

# GREATER MEKONG SUBREGION EAST-WEST ECONOMIC CORRIDOR



# Global-Regional Economy: East-West Economic Corridor

- Borderlands & Cross-Border Trade
  - Case study: Myanmar-Thailand border
  - Small market town; Khun Yuam
  - History; founded in the 19<sup>th</sup> century by the Shan people
    - a. Wars, fighting and bandits in Burma's Shan States
    - b. Trade & traders; KY was on one of the Shan States-northern Siam trade routes
    - c. Logging – teak

## Khun Tuam before the Shan settlement

- Lua – Austroasiatic (Mon-Khmer) speaking ethnic group; no longer live in the area
- Karen – Karenic (closer to Tibeto-Burman) speaking group; the majority of Mae Hong Son province

## Today

- Town's population: Shans, Khon Muang (northern Thais), Thais, Karen, Hmong
- Economy
  - Market town, serving surrounding upland villages and nearby smaller towns
  - Gateway to Myanmar [and beyond?], part of the global-regional economy



## New Business

- 7-eleven shops (2016)



## New Business

- Personal loans

(“leasing”,

1 in 2010,

3 in 2016-17)



Goods on hire purchase (motorcycles, electrical appliances, etc.)



## New Business

- Mobile phones (2010): Connected with the world



## New Business

- Coffee shops (2 in 2010, 3-4 in 2017)
- Curtains, blinds, wallpapers & carpets (2010)



Construction materials & suppliers, KY Wholesale



Refrigerated trucks replacing ice-box on pickups (2010)



Sea foods

- Karen and local customers



- Cockles
- Frogs





Soft drinks, sweet, grills & deep fried. Karen customers.



Cold drinks and Sushi



Bakery (at least three in June 2010)



Non-local fruits





Hmong women selling produces from the hills



## Goods from Myanmar

- Shan seller & Karen customer
- Herbal medicine



- Herbal medicine (raw & in packages)
- Candles, nuts, herbal medicine, etc.



- Burmese cigars and nuts
- Shan language books, Karen dress, etc.





## Goods from PRC

- Electrical appliances (& mp3 radios)
- Tools & equipment



Employee repackaging the goods for small village shops and customers





House and goods storage of a former border trader (goods transporter in 2016 after Thailand entered AEC)



## Goods for border crossing

- Construction materials  
(PVC water supply pipes)
- Plastic mats
- Wooden cart-wheels



# Thailand-Myanmar Border Trade, Mae Hong Son, 2013-15

(Source: Office of Commerce, Mae Hong Son, June 2016)

	<b>Total (Baht)</b>	<b>Export</b>	<b>Import</b>	<b>Balance of Trade</b>
2013	317,492,284.63	142,100,834.63	175,391,450.00	-33,290,615.37
2014	927,980,724.44	414,936,045.44	513,044,679.00	-98,108,633.56
2015	1,562,906,303.66	845,923,958.66	716,982,345.00	128,941,613.66

## Local economy & traders I

### a. Wholesale construction materials & suppliers

- Shan-speaking woman from another MHS, moving south to KY
- Supplies & capitals from MHS, later directly from the companies / banks
- Planning to invest in Myanmar, completing large storage buildings to keep construction materials & supplies
- Cross-border trade

## Local economy & traders II

### b. Fertilizer, insecticide & agricultural materials

- Hmong from an upland village, former teacher turned trader
- Borrowing money from brothers to open his shop, paying no interest
- Business grew, persuading kinsmen to invest in his shop – pooling capital
- Now having bank credit, kinsmen's investment, own capital

## KY from the economic anthropological perspective

- A market town, an exchange place on a trade route.
- In the past, a market in the market networks between Siam's northern region and Burma's Shan States.
- Today, a market in the business & trade networks – northwestern-northern regions and the capital, Bangkok.
- Today, a market in the business & trade networks between Thailand and Myanmar (and beyond?).
- A market in the valley for the goods exchange between the upland people [no more slash-and-burn, swidden agriculture] and the lowland [irrigation agriculture].

## KY as part of the Global-Regional Economy

- Myanmar-Thailand's cross-border trade
  - Cross-border tourism [possible]
- Economy
  - New businesses, capitalist (no longer subsistence economy)
  - Goods & consumer products from everywhere
- Culture
  - Language – Central Thai as a *lingual franca*
  - Consumption & changes of local habits
- Global connections – not only goods, but ...
  - Flows (of globalization & global economy)

## Flows or “**scapes**”: Arjun Appadurai’s definitions

- a. **Ethnoscapes** – the movement of people around the world (tourists, refugees, exiles, economic migrants and other moving groups and persons).
- b. **Technoscapes** – the ways technologies help speed up cross-border movements.
- c. **Ideoscapes** – the ideas, symbols and narratives that have spread around the globe.
- d. **Financescapes** – the rapid movement of money across borders.
- e. **Mediascapes** – media has an increasingly global reach.