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The New Embeddedness:  
An Anthropological Account of the  
International Market Place in the  
New Millennium.

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August 15, 2005



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## DECLARATIONS

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# ABSTRACT

This thesis approaches its subject matter with support from philosophy, anthropology, and long personal experience in the global markets. I have included quotes and information in these Chapters from philosophers as well as anthropologists, attempted to define some of their views and ideas, then relate those perspectives to our research goals: the main goal in this research is to explicate how social communications are generated through individual acts of exchange in the markets, whether the social elements of societies posited as present in exchanges in primitive cultures, are excluded by design and method of analysis in, "modern-market driven" societies in our present world of emerging post-capitalism; and whether in regular practice today, those persons who occupy positions at the highest management levels in the international business community, are listening to those social communications and adjusting or changing their decisions to comport with local social and cultural mores. The research attendant to the subject of this thesis was undertaken for submission relative to application for the degree Master of Philosophy, therefore I explore in some depth the philosophy of certain theories; along with the social and cultural elements of markets. I incorporate the debate between formalist and substantivist as a vehicle around which to explore the philosophical underpinnings that relate to the social phenomena under consideration.

Since one cannot prove a negative, I decided not to focus on an attempt to prove Polanyi and his followers wrong by attacking the rationality of their positions, I elected to investigate the positive possibility of connecting continuing human social involvements to modern market activities; or, to ascertain that it is not there; our approach is to collect and present data from personal contacts and interviews, along with opinions and information from qualified anthropologists and philosophers to discover if in normal practice acts of individuals, societies, markets and businesses, effectively overcome perceptions (should they exist) of our having different purposes or motivations than earlier or primitive societies in making acquisitions or exchanges.

Research undertaken for this thesis discovered: that the human social elements are there in the markets, communicating clearly, regulating exchanges, and directing decisions in the upper echelons of international business.

## ACKNOWLEDGEMENTS

This ethnography is based on fieldwork in a number of countries on different continents, involving company executives and market related individuals. I wish to thank all who participated, and to extend my deep appreciation for their great patience in answering my questions, even when language differences made the task difficult.

I am deeply indebted to Dr David Riches, for guidance, support, and for introducing me to broader understandings, that I feel would not have been achieved absent his efforts. I wish to also express my gratitude to my wife Mary; who accompanied me on many journeys, lending care and support.

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# CHAPTER 1

## PRINCIPLE THEMES OF THE RESEARCH

### **Introduction to this Study**

In human history people have experienced repeated transitions. Among religious ideas they have embraced the concept of gods as the monitors and guarantors of success and proper social standing. Some such ideas incorporate notions of material reward and happiness 'in the next life'. Other cultures, including in modern times the increasingly prominent 'New Age', evoke divine blessings or reward that promises material and social success in this life 'here and now' as well as guaranteed fulfilment of defined benefits in the spiritual life to come. However, during the early period of industrial growth and accelerating expansions in market structures people were able to build social and material success apart from religions or governments. Yet markets were characteristically construed, in quasi-religious fashion, to be feared and as having intrinsic power. But changes in understanding are again noticeable with regard to attitudes relating to market structures in the immediate past few decades - decades encompassing the era of globalisation. Thus respondents contacted for this research have pointed positively to rapid transformations as markets in the world continue to integrate and expand. Such positive effects are expressed by Giddens, speaking specifically of world market integration, and notably of its local and cultural sensitivity:

Most people think of globalisation as simply 'pulling away' power or influence from local communities and nations into the global arena...yet it also has an opposite effect. Globalisation not only pulls upwards, but also pushes downwards, creating new pressures for local autonomy...Globalisation is the reason for the revival of local cultural identities in different parts of the world (Giddens 1999:13, underline added).

Worldwide trading, manufacturing and modern media generating local demand for products drive almost of necessity a global agenda. We must realise that what is termed globalisation is not an ideology but a process, a process being driven, fed, and nurtured by the many new technologies, ideas and resulting possibilities. The research reported in this thesis contextualises this process both through engagement with relevant anthropological and philosophical literature and through field research consisting of interviews with some key players – professionals engaging in roles and decision making in the upper echelons of international business. The field research is reported in Chapters 5 & 6, where I conclude that aspects of social organisation relating to the present-day global business world reflect what may be termed, following Polanyi's concept, a 'new embeddedness'. This social organisation consists of a relationship between production and consumption that one may call a 'new transition', such that one ventures that the contemporary world of industrial production has entered a period of 'post-capitalism'.

For an anthropologist such discussion requires that I engage with notable anthropological literature touching on embeddedness, and on the relation between production and consumption. Thus in chapters 2 to 5 I review the

famous formalist-substantivist debate in economic anthropology, and the contribution of Douglas and Isherwood which shows how consumption meanings inform central social processes in human economic systems. The cultural critiques of formalism/substantivism offered by Dilley and Carrier are also pertinent here. Obviously questions relating to the definition of the market will feature prominently in these chapters. But I take a particular perspective on all this discussion. As someone who has himself participated in the higher echelon of international business for some decades, I also offer a reflexive commentary on the academic discussions in economic anthropology. In addition my interest in philosophy informs some of this commentary. Thus the central chapters of this thesis involve reviewing the anthropological debates through the lenses of such concepts as freedom and justice.

My interest in these areas of research, then, has been stimulated and enhanced by an extended personal exposure in business life to the market (for the moment in the colloquial sense of the term), together with a lifelong interest in social development, the preservation of cultures, and the economic well-being of people. All the world's people and cultures are now squarely in the path of a juggernaut represented as 'efficiency' and 'success'. This juggernaut consists of the supervening idea that there is some objective form, some essential element that is immediately discoverable, that will be of immense benefit to those who follow along uncritically with the explosion of consolidations, growth, and electronic integration. This idea may be 'true', but the academic task is to examine with all available energy and resources the personal, institutional, and political structures and motivations relating to this idea. This should be done with the same critical focus as that deployed by

those who object and protest against globalisation! This thesis, with its attention directed to the notion of the market, is a small contribution to this end. In the remainder of this first chapter I shall introduce some of the main analytical considerations that inform later chapters, and give an indication of the scope and limitations of my field enquiries and interviews.

### **The Market Today as an Idea and as Process**

The market today represents a power that affects everyone everywhere; in this guise it has to an extent replaced the institutions of religion and government - institutions that for ages past filled the position of being reservoirs for trust, confidence, security, along with possibilities of success. Thus a South American business leader commented to me how new regional integrated markets, 'defined and examined from a number of perspectives, have come to be exaggerated as a panacea, a sort of temporal deity or golden calf worshipped without reservation.' It has been possible for other institutions of society or regulators through restrictions on freedoms, punitive tariffs and national laws to limit or control the market's 'advance' for a short time, but only for a short time. Such 'resistance to change' is indeed noted by several respondents in this study, who describe it as a major obstacle to equitable distribution of products people want. As David Keen states, examining the underlying motivations for stiff resistance even to positive change if it affects the status-quo: 'Part of the problem is that we tend to regard conflict as, simply, a breakdown in a particular system, rather than as the emergence of another, alternative system of profit and power' (2000: 141-2).

Markets, trading and capitalist notions of exchange opened China to world trade in recent history; then were highly instrumental in bringing change that is presently opening up Russia - in both instances against determined internal efforts to stop the process. Along with the evolving circumstances in the Middle East at present such instances are examples precisely of processes reflecting developing wants, needs and desires of people in the societies concerned. The difficulties encountered by western business when attempting to penetrate Russian and Asian markets were pointed out by my respondents, as was the courage of people who in the face of personal risk explored the markets in order, as they saw it, to improve the quality of their lives.

We can therefore say that the power of the idea of the market as a successful active advocate for change is enhanced by its being rooted in social structure, and also in ongoing social processes. To attack such an idea entails that one is in a 'fight with society'. Accordingly, politicians - even dictators - tread softly around the market, a fact that some business executives interviewed for this study see as an advantage, stating that they 'wait for pressures from within the society to build, while their products are brought into line with the wants and needs of the culture'. As illustration of this one need only look at trade conferences such as Davos in Switzerland, where one can observe representatives of nations with no diplomatic ties, indeed, whose leaders do not speak with each other, carrying on business and trading activities in a completely normal manner, alongside global businessmen. Such activities, bringing about the continuing penetration of integrated market structures into countries worldwide, naturally entails change or adaptation in the host society which will be experienced,

sometimes positively, sometimes negatively, in the course of normal daily activities.

New methods and technologies tend, as stated in an old cliché, to 'take a life of their own', especially if they have merit, mainly as a result of being seemingly complete solutions to those who sign on as believers, and also because if they are to reach a high stage of acceptance they normally amount to a new and better way of doing things. In the context of the market in the present-day globalised world, the Internet and its peripheral activities come immediately to mind in this respect: this new phenomenon is generally perceived to be able to accomplish everything short of curing ageing and baldness. In the early part of the industrial age, with its attendant market expansion and integration, 'market processes' exhibited distinctively improved production methods, transport, merchandising and selling procedures (Carrier 1995). Nowadays, in similar fashion innovations in communications technology and the computing world are producing massive dislocations and at the same time a new world of possibilities. Indeed I shall later advance the proposal that such innovation has resulted in qualitatively new types of relationships between producers and consumers equivalent to the distinctive evolutionary shifts that marked the origination of capitalism, and capitalism's subsequent move through successive phases (e.g. 'middle' to 'high' capitalism).

### **Research into Upper Echelon Market Life: Main Considerations**

The world is filled with individuals going about activities and taking actions necessary to sustain themselves, their families and communities. From these

atomistic acts the institutions of the society are formed; the same acts constantly adjust the content and mission of those institutions. In this thesis I wish to stay clear of the minefield of a 'common mind' and at the same time attempt some discussion of the effects individuals acting singularly and in concert exert within their community on all the persons in their society engaged in exchange and communication through its markets. Simply put, what influences can we ascertain are operating upon those producing for and participating in the markets as a result of actions and acquisitions made by consumers based on their cultural priorities. This is highly important in view of the personal identity that is expressed through participation in economic exchange (Carrier 1995: 3; Douglas and Isherwood 1996: 43). The relevant data in this study is selective in this regard. It comes from a few principals and managers at the very top of the corporate world, and gives consideration to their understandings of consumer cultures and preferences. In the preliminary stages of fieldwork, the original idea was to limit the extraction of information to corporate senior officers: presidents, chief executive officers, board chairmen. This was pursued with much anticipation, especially in light of my past business experience with some of them. The results of the consequent survey though not very useful were somewhat surprising, notably in revealing significant markers indicating great and rapid change in management structures and procedures. Some of the changes relate to regional or global expansion, others have to do with new complexities ushered in by the 'information age' and (importantly for this research) the necessity, in order to participate effectively in broad regional and global

markets that encompass many economies, to analyse understand and meet the social, cultural and legal requirements of the national societies concerned.

The roles and responsibilities that were in the past attendant on management positions have experienced dramatic reformations in a very short time. The all powerful all knowing 'hands-on' chief executive is an anachronism in today's corporate world. As a matter of fact in most large companies his portfolio is primarily to see to the survival of the business, i.e. manage the news about and perceptions of the company, especially in relation to financial markets and investors; of course he participates in the very large or dangerous decisions affecting the enterprise. But today's successful head man chooses a team 'wisely' and delegates to the team: within a framework he has a hand in designing the respective activities relating to corporate responsibilities. For the research it was clearly necessary to probe more deeply into corporate processes and determine if decision-making had moved to departments such as planning, marketing, human relations, etc., that were common to all or most large businesses. Further mail and personal contacts were accomplished, to tease out the required data from persons at various levels of management.

Because of the above changes, decision-making about and responses to social communication and cultural facts communicated in market processes would have moved in the management structure; but where did it move? Importantly, were those charged with the responsibility to analyse, understand, or act on social elements at management levels allowed to affect decisions relative to product lines, design, operations, locations, or the public in general? A parallel inquiry would be to discover the thinking of

complementary persons participating in markets - wholesalers, brokers, middlemen, insurers, retailers and consumers - about the producers' reactions and adaptations to local social and cultural inputs relating to markets. Do they feel they are being heard, or do they feel generally powerless, and so respond with attitudes of cynicism? An expanded plan including mailings and re-mailings and personal contacts (with business managers, manufacturers, importers and exporters, also brokers, financiers, retailers and consumers) was accordingly implemented.

Overall, my objective, focusing on upper level management, was to determine whether elements of embeddedness prevail in modern market-driven international or global economies. The notion of embeddedness is explored at length elsewhere in this thesis. Briefly it conveys the idea that economic life is subsumed in, and constrained by, social relationships and cultural values whose content is other than directly economic. Thus my concern is with whether the social and cultural messages in the wider society, and contained in and transmitted by market exchanges, are heard by persons in positions of management in the business world. Do their decisions comport with 'local' custom, practices, wants and cultural mores?

When one sets out to research in the field there is initially a sense of mission, beginning with an intense planning period much like a military or other type of bureaucratic mission: one is constrained by rules and expectations, problems seem to expand exponentially, original estimates of time and cost have no relationship to actual amounts finally expended. The 'obvious results' are nowhere to be found (the data we find useful may not originate in the areas where we expected the facts to reside). Then,

strangely, one begins to feel a sense of independence and responsibility – as no longer being 'sent', but rather as 'going', and at the same time accountable for what one produces. Needless to say I found much opportunity to reflect on my own cultural limitations as I came into contact with persons from different races, nations, cultures, societies and gender.

One can only marvel at the breadth of change brought on by the explosion since the 1960s in technology and in information (or propaganda) and its delivery systems such as satellite phone and data transmittal, fax, computer and the internet. The very intriguing result is that in every location in which I had contact I found people generally well informed, holding rather firm opinions on trade, business and politics; those opinions encompassed a working knowledge about international trade and its possible effects on them and their society.

Languages everywhere are replete with new terms relative to market and information expansion. Some of them can be categorised as 'buzz words' e.g. the 'market', 'globalisation', 'democratic society', 'genocide', 'discrimination', 'free and open markets' and 'debt relief'; and a massive amount of computer and data processing jargon. 'Debt relief' is sort of oxymoronic. While we are seeing demonstrations in support of the idea, at the same time there are demands and negotiations from those seeking relief for increased aid, new loans, or 'special drawing rights' (an I.M.F. term) that allows the same countries to increase their debt. There may be many explanations for this, which we will not address at this time; one worth noting is the steady erosion of the economic significance of small national entities, as their role is being redefined in a global perspective. However, such terms as noted above can

increase the difficulties encountered in international market integration, since the concepts underlying the terms used in modern commerce are still interpreted culturally. These problems are being overcome at a very fast pace thanks in large part to the Internet. This is an important matter since these terms transmit a social content in market exchanges. This is critical, for '...in aggregate the choices of individual buyers provide information to sellers about what buyers want at what price...the market functions as a means of communication between consumers and producers.' (Carrier 1995:3 underline added).

There is another element relevant to those examining social and economic features in markets today. As a result of innovations and rapid expansion on a global scale, markets are constantly 'morphing', i.e. changing form smoothly and quickly in size, shape and content as the locations, numbers and types of items traded expands. Products come and go very quickly, typically relating to the vagaries of fashion, such as hula hoops, double knits, nylon fabrics for personal and commercial uses, slip covers for automobile seats. An industry can begin and end in a short time. In the recent past (pre-World War II) market content was relatively simple, and labour and the means of production were almost universally involved in producing what were long-lived stable objects of commerce that were generally tangible in nature. Such circumstances no longer obtain: a great portion of the totality of objects or entities traded in present markets (such as software for computers) or included in the value of items of exchange are intangibles, such as ideas, abilities, knowledge, data, or financial instruments such as derivatives (which are instruments such as a future, option, or warrant whose value is derived

from and dependent on the value of something else). An illustration is index trading where one invests on one's estimation of whether an average will go up or down; another is Government bonds which physically do not exist, though millions of people invest in them. This is commented upon by David J. Teece, Professor of Business at the University of California, Berkeley, in his 1998 Clarendon Lectures which examine the ever-rising market content and value of intangibles:

The decreased cost of information, the increase and spread in the number and range of markets in which companies can buy production inputs, the liberalisation of product and labour markets and the deregulation of financial flows, is stripping away traditional sources of competitive differentiation and exposing a new fundamental core to wealth creation. That fundamental core is the development and astute deployment of intangible assets, of which knowledge, competence and intellectual property are the most significant. Other intangibles such as brands, reputation and customer relationships are also vital. Special access to natural resources and skilled labour, economies of scale and scope, are fading as sustainable bases for competitive advantage. In the end wealth creation in a world of heightened competition comes down to developing, orchestrating and owning intangible assets which your competitors will find it hard to imitate but which your customers value. (Underline added.)

When one discusses modern markets with international business persons today, no distinction is drawn between material objects and intangibles; they are seen equally as objects of commerce. This raises an appearance of

inconsistency. Since intangibles and other invisible contents in markets do not exist materially the question arises as to how in the wider community they may be subject to meaning and communication. And, how are individuals in a society protected from exploitation relative to these properties in the market? Most business persons today avow that they are alert to social and cultural matters relating to markets, such that they take a socially sensitive position relative to cultural practices in societies within which they transact business. Yet with intangibles consumers are generally blind to the product's source.

For answers to these questions and concerns we must turn to the societies' institutions banks, universities, chartered accountants, Governmental regulatory departments and the Parliament, or whatever the institution is that performs that function in any society. The functions and influences of these institutions are omni-directional. They transmit, filter and analyse the wants, needs and desires of the community to all who participate in the market, using their good offices, knowledge and energy to understand and regulate the respective products and forces directed toward the community of which they are a part. It is these entities, constantly in contact with their constituents while at the same time interfacing with the world at large, that allow the intangibles and myriads of other market activities to proceed at a level of efficiency while at the same time being responsive to social and cultural mores and practices.

### **The Practicalities of Research into the International Market**

The market uniquely affords, following Carrier, Douglas and Isherwood, a matrix containing the necessary properties for persons to make sense of and

put meaning into their lives. The market is a continuous activity, in which everyone takes part and in which social meanings are agreed that affect the entire society. Douglas and Isherwood emphasise the importance of ritual observances and point to actions of consumers in market exchanges as social communication through choices of goods to fill obligations in conventional rituals that serve to select and fix meanings:

The main problem of social life is to pin down meanings so they stay still for a little time. Without some conventional ways of selecting and fixing agreed meanings, the minimum consensual basis of society is missing. As for tribal society, so too for us: rituals serve to contain the drift of meanings. Rituals are conventions that set up visible public definitions...More effective rituals use material things, and the more costly the ritual trappings, the stronger we can assume the intention to fix the meanings to be. (Douglas and Isherwood 1996: 43)

An influence here was Weber. Weber was keen to explain the effects of the acts of individuals on the whole of society, strongly resisting a functional approach, which, being based on biological metaphors, he saw as harmful when taken over into the social field. Weber believed that 'subjective categories' such as market exchanges, 'can be applied only to the action of individual persons' (Parsons 1947: 18-19). Weber defines two primary contexts conspicuously related to the structures of social systems such as the market: 'On the one hand such a system must meet the exigencies of its external situation, both human and non-human, and on the other must be integrated so that its parts function in a certain degree of harmony.' (Parsons

1947:21). The experience of individuals relating to this is in the background of this research.

The significance of the market in relation to communication and meaning, and its dependence on individual acts as the basis for its existence, has precluded the defining of a fact-based market essence. There are simply no essential properties or facts about markets themselves that will conform to a deductive process. In light of this limitation we are left with limited choices: First, one can build models from past activities or pro-forma models based on speculation about the future. Both such types of model are based on and use some material facts. Then one plugs in what the accounting world terms swag (sophisticated wild ass guesses) about the cultural and social facts. In the study of economic life models have been used extensively and for a very long time; indeed modelling is the general subject of the major dispute in mid-twentieth century academe relating to the question of 'embeddedness' and 'disembeddedness' of economic action. Second, we can use a process of discovery, that is to say, actually going to the persons involved in day to day exchanges in markets, who alone know their individual motivations, purposes and reasons. Only from such involved persons can we discover what prevails relating to the social elements contextualising market exchanges. This writer opted for the second procedure and embarked on a programme of direct discovery coupled with personal experience over several decades of global market participation.

It was apparent from the beginning that this approach would be difficult, especially in eliciting information from publicly traded (shares exchanged in open markets) international corporations, for several reasons. First, in the

industrial world today corporate espionage is widespread: competitors want to get information on new innovations in computer and software, designer clothing, automobiles, defence weapons, etc. There was a migration of intelligence gathering expert 'spies' during the closing years of the Cold War into industry. These practices have resulted in new corporate counter-intelligence forces to meet this threat to corporate and product secrecy: High level public relations efforts are maintained to 'manage' news about companies that influence their stock values or market capitalisation which directly controls their debt to equity ratios. The particular area of corporate finances has become one of the most important and time consuming responsibilities at the very highest levels of corporate oversight. Such a high level of interest is driven by limitations and requirements in treaties with lending institutions and public bond issuance regulations. If the bottom line ratios in these debt instruments is violated, it normally requires the entire balance due to be paid in a very short time (usually a matter of days) resulting in forced liquidation; obviously these debt related concerns can be controlling in regard to expanding or even continuing the business. Thankfully in many instances I was able to satisfy or overcome the initial reservations of potential respondents, by assurances of non-disclosure, through being trusted on the strength of past personal relationships, or because of recommendations from others. But I had to give guarantees that all data would be cast in general terms that would not name any participants. The obvious downside of this is that I am unable to reveal specific details of particular interviews, which in turn limits me in terms of considering more micro-issues such as the relation

between the opinions of particular interviewees, the type of company they represent, the country in which their business is located, and so on.

On the other hand I consider it important to have reached not only a large number of businesses but businesses covering a wide spectrum of categories and types. By 'categories', I mean the separation by corporate structure into classes, i.e. international, multinational, trans-national. The international business is headquartered and locates its production generally in its home nation and is active, known, or reaches markets beyond the national boundary; the controls, accounting, R & D, marketing, etc are managed and directed by home nation executive staff. The multinational business is organised differently; it has an identifiable headquarters or home office and central management group located in one nation, but it also has divisions containing directive management and production capabilities located in more than two other countries. The general management, accounting and control functions are located at headquarters; however, the divisions have some autonomy and are charged with the responsibility of marketing and general compliance with local culture or social mores. The company repatriates its profits from divisional operations to its 'home' country and reports for tax purposes in that country's currency. The trans-national, a twentieth century phenomenon, has no identifiable headquarters or central management. It operates as a number of free-standing, autonomous, subsidiary companies working in a vast worldwide network of co-ordinated effort and production. Each entity has full management structure and capability, controls its accounting and reporting functions and works out its tax reporting in the most advantageous manner. As to 'types' of business, this identifies the qualities

common to a number of companies that makes them distinguishable as an identifiable class: producers of autos, computers, music, food products, clothing, pharmaceutical products, farm machinery, etc.

Needless to say all these corporations because of their nature are difficult to penetrate sufficiently to determine where information one needs for research resides. The multinational corporations have grown very fast in number over the last thirty years: there were 7,000 in 1970, which number grew to 37,000 in 1992. The economic power of these companies is great, at times exceeding that of many nation states; sometimes economic power translates into political power, such that national sovereignty is ceded to these supranational entities (O'Meara 2000: 284-448). By overcoming or co-opting governments, business interests can reduce the choices and level of freedoms for persons in the society concerned.

I also considered it would enhance the result if I solicited businesses carrying out trading activities in a number of different cultures and countries, on more than one continent. Companies were also selected in widely disparate areas of manufacturing, services, retail, finance, food and personal care products, in order to implicate a wide social and cultural footprint. I stayed away from single product companies that either enjoyed complete control of markets due to uniqueness of products, patent rights, or being placed in the market with no competition by virtue of 'close' relationships with the governing powers - companies such as weapons and defence systems manufacturers, aircraft and ship builders, power turbine makers, etc. Some or most of these circumstances could render data non-relevant in a social sense, due to a lack of individual freedom relative to consumer choice as individual

members of a society are not normally consulted in defence or politically sensitive purchasing decisions. Accordingly it was considered desirable that the companies and businesses included in the research sold products globally or at least on more than one continent, participated in competitive market conditions and had an extended history of operation in their industry. Within this frame selections were made from personal knowledge, equity market lists (i.e. FTSE), newspapers, stock indices and lists, then researched through Standard & Poor's publications. These were then broken down in consideration of what the most effective communication method would be to put across the purpose of research to potential respondents and stimulate replies.

In regards to methods used to communicate with corporations, in our first approach, to send a package to top officials (chairmen of boards, presidents, chief executive officers), I used the services of an overnight worldwide express company, surmising that these deliveries would go unopened directly to the executive's office. This proved to be true and from these very top managers we received replies to 100% of the packages sent. As described in an earlier section of this Chapter some of the information in these replies led me to realise the extent of change in modern management assignments and areas of responsibility, pointing toward areas on which to concentrate.

The second communication moved into the corporate structure, to high level managers responsible for departments relating to public, social and cultural relationships, that is, between their companies and consumers. To managers concerned with public relations, marketing, production planning, etc., I sent a mailing by special delivery post. Replies were received from 60%

of this group. From the data gathered from the second mailing a third further mailing was sent by airmail post, with a reply rate of just under 50%. During the period these activities were underway extensive telephone contacts were employed to gather data, interview, or set up appointments for personal meetings; given the security concerns and reticence to divulge information that could be both personally and corporately sensitive, the results overall exceeded expectations.

In written contacts requesting information to be used for this project I undertook that neither participating companies nor individuals would be identified specifically. The letter contained the following assurances:

'I would like to ask your help in gathering information for my research thesis. I am an economic anthropologist, exploring the process of decision-making in the upper echelon of International Corporate Management. Please be assured that no person will be named, or even referred to specifically. Your contribution will be kept in strict confidence and will not be referred to or quoted from by any reference to you or your company. Mine is an important effort to address an element in our emerging 'Global' business community. If you have any questions call or fax the numbers on my card enclosed.'

From the standpoint of research ethics it is necessary to keep these commitments. Many companies have firm policies against allowing personnel to participate in activities of this kind for obvious reasons, which I have already explained. Indeed several persons initially responded with blanket refusals to participate, but then spoke with me in a candid and unguarded manner giving good information. Given due consideration to these

circumstances I do not feel that listing the names of the companies I contacted violates the letter or spirit of my commitments to not identify participating persons or companies in specific case studies.

The following companies were contacted requesting information for this project:

Dell Computer Group

McDonald's Corp

Federal Express Corp

Detroit Diesel Group

Procter and Gamble Co

Ford Motor Co

Wal-Mart Stores Inc

United Parcel Service (UPS)

Swissair Ltd

Ikea Co

Roche Ltd

Novartis International AG

Nokia Co

British Telecom Com

Glaxo-Wellcome

Mercedes Chrysler

United Airlines

Alcoa Int

Altera Corporation

American Express Company  
Compaq Computer Corporation  
American Greetings Corporation  
American Home Products  
American International Group Inc  
Deere and Company  
The Walt Disney Company  
Eastman Kodak Company  
America OnLine, Inc  
Anheuser-Busch companies Inc  
Apple Computer Inc  
Archer-Daniels-Midland Company  
Avon Products Inc  
Bausch and Lomb Inc  
Baxter International Inc  
The Black and Decker Corp  
Brunswick Corp  
Campbell Soup Corp  
Caterpillar Inc  
Citigroup Inc  
The Coca-Cola Corp  
Colgate-Palmolive Co  
DLS Argentina, Ltd  
Cravall Import Co  
Bridas, S.A.

Sociedad Commercial Del Plata, S.A.

With regard to the detailed enquiries which followed I would like to be able to say that there was a flash of light out of which appeared a clear outline of a mission to seek and deliver some essential truth; alas, this was not the case. Only after a period of time, along with thoughtful guidance and further study, was I led to the conclusion that field research might discover whether, or to what extent, social elements and practices emanating from people in communities, societies, or groups of consumers affect the motivations or determine the context from which guiding corporate decisions are made.

What perception does the management in the upper levels of the international business world have in regard to the societies and cultures within which those businesses are, or intend in the future to offer their products? In other words, to what extent do modern businesses 'embed' themselves in the social fabric of the consumer's way of life?

The fieldwork design entailed multi-layered enquiries to extract views from upper managers, as well as from other important individuals. The approach that appeared most beneficial (and which was used) involved several steps.

- 1 Analyse businesses by type and geographic location to select a proper balanced study, with deletions or additions to be made as desired.
- 2 Identify persons in management levels by name, with correct current addresses and locations.

3 Design and refine questions to be sent to chief executives/presidents by express courier (see appendices-3-4-5- 6). This idea was adopted firstly to be more assured of delivery direct to the executive office, and secondly to lend a more serious air to the documents inside.

4 Select persons for personal interviews in various countries, with the accomplishment of a wide geographical coverage.

5 Send second and third mailings of requests for input, to managers at corporate levels 1, 2 and 3. Number 1 = directors and general managers; number 2 = staff level, corporate officers; number 3 = department heads or national and regional managers (see appendices-5-7-8-9).

6 With regard to several countries visited plan for interviews with individual persons as consumers, to get a perspective from the person on the street on their success or ability to influence managers at the upper levels in international business.

7 Important! Keep focused on the principal elements of this enquiry, and not get sidetracked onto sidebar issues circulating in every corner of today's world, revolving around expansions and consolidations in the global arena conflicting with national or regional interest, and broadly perceived as a threat to established cultures and societies.

In Chapters 5 & 6 I will outline the broad findings of this research. But I will remark now on a surprising, or alarming, obvious trend in every part of every country with which I came in contact (events are surprising or alarming depending on one's viewpoint or understanding). We found social, legal, political, and institutional changes progressing so fast generally that the normal safeguards relating to business conduct were simply unable to adequately respond. Though this is a subject for another time this does underline the fact that our research is timely. And it is more important in this period of international unrest to examine whether the corporate domain is sensitive to the social and cultural context. In requesting information from the Vatican relative to this project, I received a very relative and detailed paper from the Pope through the Pontifical Academy of Social Sciences in which he spoke directly to such concerns:

'The globalisation of commerce is a complex and rapidly evolving phenomenon. Its prime characteristic is the increasing elimination of barriers to the movement of people, capital and goods. It enshrines a kind of triumph of the market and its logic, which in turn is bringing rapid changes in social systems and cultures' (John Paul II: 2001: 1)

### **Biographical information**

My earliest memory of exposure to the world as a market came as a primary school student, when somewhere between six and ten years of age

I was occasionally instructed to return articles such as knives, toys, marbles, small animals or other items desired by boys of that age, these items having been acquired by exchange or barter from schoolmates or friends. My parents

or other adults were not sure that both parties in those transactions understood what trade or exchange meant or entailed.

Somewhere between ten and twelve years of age I made my first motorised acquisition, a Cushman motor scooter, in exchange for a bicycle and additional items. It was most likely traded to me because it would not operate; the centrifugal clutch and the ignition system necessary for engine operation were worn out. After weeks of odd jobs to earn money for clutch linings and ignition parts, I embarked on DIY repair, which was a success. AH! MOTORISED MOBILITY AT LAST! The motor scooter was traded in a few weeks for an early model-T Ford that had been cut down from a sedan into a flatbed truck with no top and no doors. The motor and running gear were sound, it just would not start. There were in my circle of friends several who were interested in anything new or unusual, which joined in to push the model-T to the top of the hill on our road, so I could attempt to start the engine by engaging the clutch on the way down the hill. (The model-T has no starter and we were quickly exhausted trying to start it with its crank, which could also be dangerous.) In several months of trials, we only succeeded in starting the engine once; we were so pleased and surprised; all piled on and rode back to the house: it never ran again! Soon thereafter someone interested in model-T's traded me an early 1930s sedan with the engine connecting rod bearings completely worn out; it would, however, start and run and had an electric starter.

My father was in the transport business and had a car dealership, so we were taught to drive as pre-teens. My years around these business repair shops furnished some knowledge of how engines worked, so up went the car

on blocks in the side yard, and the oil pan and rod bearing caps were pulled. [My mother reminded me many years later that she remonstrated with me for swearing during the operation, a result, I am sure, of frustration and bruised knuckles as I lacked experience and had poor tools.] By removing metal from the rod caps with a file to reduce their circumference, wear was compensated for and the engine ran very nicely. My business and trading career were underway; desires to try new experiences and continue learning are a sustaining element in life for me.

During the Korean conflict in the early 1950s I enlisted in the US Marine Corps. After basic training I was assigned to an underwater training school (being familiar with the ocean and diving as a result of childhood summers spent at the beach). I was also attached to a special services school and assigned to teach the theory and principles of internal combustion engines and electricity, between diving missions with the Navy. When the conflict ended and after separation from the military services, I began studying business management and entered law school; my tuition was paid with the combination of veterans benefits and part-time jobs including teaching scuba diving, and driving local and long distance articulated lorries along with learning the real estate business (America was entering a prolonged post-war properties boom), which led me to activities and long term interests in transportation and commercial real estate development.

These interests continued after graduation from law school in 1959 and resulted in building, as president and chief executive officer (until 1988), the ninth largest general highway common carrier in the United States employing over 8000 persons and widely dispersed personal real estate holdings. I

began flying in the early 1960s in personal aircraft pursuant to business needs to move quickly over large geographic areas: after years of extensive training I succeeded to hold aviation's highest rating - airline transport pilot. My experience includes over 8000 hours as pilot in command of turbine/jet powered aircraft. I personally negotiated the purchase of, and designed communication, navigation, and safety systems for several of these aircraft, and took decision-making responsibilities relating to maintenance, and, ultimately their sale or trade.

In the mid 1960s I acquired and managed as president and chief executive officer (at the same time as my transport and other activities) a specialty design and construction company. We designed and built structures for Walt Disney, i.e. Fantasy Castle, Small World and several other buildings at Disney World, Buena Vista (Orlando), Florida. We also built special purpose buildings [some top secret at the time] such as drive-in hangars for the C5A military project for a defence contractor, nuclear power stations, newly designed buildings to accommodate 747 aircraft coming into service, and various other projects, all of which I negotiated.

In the mid 1970s I founded along with several friends the Merchant Bank, Inc., which became a publicly traded company and subsequently merged into an American national bank. Until the merger I served as a board member and chairman of the audit committee. Later in the 1970s I started business as a bond and commodity futures trader, trading in most types of commodities worldwide for my own accounts and for a few friends, staying active in the business until the late 1980s.

During the 1960s, 1970s and 80s I served on a number of boards as a director and was an active public speaker on a variety of subjects. I also negotiated numerous national labour agreements with teamster, longshoreman, construction and other unions; I attended, taught and/or served as a panel member of domestic and international conferences on subjects including finance, commodities, management, government, law, transportation and aviation.

In 1997 I entered the University of St Andrews, St Andrews, Scotland for an Honours level conversion degree in Philosophy which was successfully completed in June, 1998. In September, 1998, I enrolled in the University of St Andrews for the M.Litt. Programme in Philosophy and Social Anthropology, completed the taught portions of that course, and converted to M.Phil. and began research that has resulted in interesting and informative multi-industry, multi-continent contacts and activities gathering data for use in completion of this project.

### **Introduction to the Meaning of Market**

I am taking the position, which I believe my data supports, that it is the individual consumer who controls the content of the market and also influences, directs, in some instances controls, the practices and actions of those who produce objects or services for exchange. Further I hold that levels of circulation, or means employed to facilitate exchange, do not inherently preclude consumers from acquiring commodities either for personal consumption or to present as gifts, or from investing objects or services with the properties and qualities of personal possessions. Also field data support

the fact that persons producing objects or services for exchange in the markets are not only listening and acting on communications from consumers through the markets, but listening intently and acting quickly to modify products or marketing strategy in response. Those who intend to remain successfully engaged in a business which supplies goods (in the sense of objects) or services to markets, in my opinion subscribe to Machiavelli's opinion, quoted in M. Lien (1997: 2, 55-6): 'I also believe that the one who adapts his policy to the times prospers, and likewise that the one whose policy clashes with the demands of the times does not' (underline added).

What is a market or what does the term market mean? This question has been posed by a number of writers and answered in about as many ways, without achieving a full explication of the concepts underlying the term. A high level of preoccupation with the meanings of the term is understandable; markets are ubiquitous in human societies and are still little understood (Dilley 1992:1). In my view market is little understood, at least partially due to the fact that most of the energy expended on analysis of the topic has been used to align the concept with some pre-selected political or economic agenda, or in support of social theory not focused on the market itself as phenomena – notably in illustrating the difference between pre-industrial and Western/modern societies. What is instead needed is a level playing field where we take much the same approach to societies in all frames of time reference. As noted by Godelier, quoting from Firth's Primitive Polynesian Economy,

'What is required from primitive economics is the analyses of material from uncivilised communities in such a way that it will be directly

comparable with the material of modern economics, matching assumption with assumption and so allowing generalisations to be ultimately framed which will subsume the phenomena of both civilised and uncivilised, price and non-price, communities into a body of principles about human behaviour which will be truly universal.' (Godelier 1972: 280, Firth 1939:29)

Preparing to embark on research I visualised drawing from existing writings clear definitions setting out the social and philosophical underpinnings of markets in societies. I soon came to realise how true Dilley's observations relative to the under-researched state of markets are; indeed, markets are mostly treated as peripheral activities or as appendages of other societal factors. Firth, in the preface to the second edition of his *Primitive Polynesian Economy*, illustrates this. He points out that he wrote first on the social structure, then on kinship, before looking at the system of exchanges and control of resources on which he observed all other activities in the society were dependent:

'After publishing an account of the social structure, in particular the kinship structure (*We, The Tikopia*, London 1936), I analysed the economic structure of the society, because so many social relationships were made more manifest in their economic content. Indeed, the social structure in particular the political structure, was clearly dependent on specific economic relationships arising out of the system of control of resources. With these relationships in turn were linked the religious activities and institutions of the society' (Godelier 1972: xxxi, underline added).

Most certainly as social metaphors markets are miraculously versatile, unparalleled in uses, content, breadth and importance; indeed, in this sense markets exceed in importance all other societal institutions, including justice or a system of laws, religion, schools and universities. This level of importance arises because markets uniquely personify the grounding or foundation on which circulation rests: circulation represents the society's production, exchange, consumption and reproduction, i.e. the ability to reproduce the 'mode of production' which is the society itself and its activities in pursuit of a living. Thus from the markets, all the other institutions in a society draw their sustenance. The obvious necessity to reproduce is pointed out and defined by Godelier:

'Study of a society thus means study of a system, of a totality that is functionally integrated and that reproduces itself as such.' (Godelier 1972: xviii, underline added)

When anthropologists examine actual market activities, there arises a possibility of missing the true import of markets as phenomena - to produce a livelihood. The banal fact, but it is necessary to note it, is that the producing of a livelihood for all is essential to the reproduction of the mode and survival of the society.

I have intimated that the market is not qualified to receive the approbation of being a 'thing' in the natural world, but it is a concept which in conjunction with freedoms (both social and economic) can and has delivered increased utilities, both material and intangible. I stress the importance of freedoms because in the absence of elements of choice, mobility and free exchanges of

information, the markets function inefficiently. Reference to the symbiotic relationships between freedom and markets is made by Amartya Sen:

'The contribution of the market mechanism to economic growth is, of course, important but this comes only after the direct significance of the freedom to interchange - words, goods, gifts - has been acknowledged.'  
(Sen 1999:6, underline added)

'Freedom' itself is a problematic notion, which bears different interpretations, including cultural interpretations, and I shall discuss this at some length in Chapter 4. Suffice it to note here that notions of freedom, justice and human rights, are today frequently invoked in the context of discussions of globalisation and the market, and therefore pose ethical questions for the anthropologist researching into aspects of modern economy. For example, at the annual meeting in 1999 of the United Nations, Secretary-General Kofi Annan stated:

'State sovereignty, in its most basic sense, is being redefined - not least by the forces of globalisation and international cooperation. States are now widely understood to be instruments at the service of their peoples, and not vice versa. At the same time individual sovereignty - by which I mean the fundamental freedom of each individual enshrined in the charter of the UN and subsequent international treaties - has been enhanced by a renewed and spreading consciousness of individual rights.'

I think this underlines the sense of rapid change being felt by and in some cases protested against by people in parts of the world today. There are two elements of this worth considering. First, that nation states are seeing the

erosion of national sovereignty and power both internally 'as to their own peoples' and externally. Indeed, most world decisions are now taken by regional collective organisations consisting of heads of the involved states and their representatives who all the while are being ever more sensitised to the wishes of their people as individuals. Second, and possibly more importantly, since in post-capitalism (as we shall see) producers are no longer invisible to consumers there is the recognition by ordinary people in states and regions universally that they can influence the culture and direction of the body politic, and the economy and markets - opening the developing system to more co-operation and 'embeddedness'.

Sincerely held beliefs become truth to the individuals or groups holding them. Our responsibility toward informing those beliefs is obvious. Whether printed, spoken, or visual in the form of art, the importance of developing clear analyses and information along with proper practices and procedures to collect and disseminate the data in an understandable and usable manner underlies our present subject of inquiry in an attempt to effectuate a better understanding of 'meanings of the markets' (Carrier 1997).

### **Gift Economies versus Market Economies?**

Anthropologists famously develop differences of theory and perspective relating to societies under study. I am writing here relative to one of these differences of opinion which ignited a long, continuing debate about reporting the economic life in societies once called 'primitive' or 'archaic' and now known variously as pre-industrial, or pre-modern. In 'Maussian terms' the economies of pre-modern societies have typically been dubbed as 'gift

economies'. In contrast we have the more market-based societies of the industrial capitalist world where the laws of supply and demand operate and prices of goods and services are set by the 'market' itself, that is, prices are set on a basis of scarcity and demand, independently of elements of kinship or reciprocity. We will later discuss what constitutes a market in different frames of reference. However, the societies designated in this way as market-based are characterised as dealing in 'commodities', that is in items produced and exchanged for the purpose of profit rather than for the producers' immediate needs relating to basic provisioning.

But this stark division is an ideal type. Keep in mind that it is generally agreed that both pre-modern and modern or formal societies have markets, in the 1990 Routledge edition of *The Gift*, Marcel Mauss observes:

'We shall describe the phenomena of exchange and contract in those societies that are not, as has been claimed, devoid of economic markets - since the market is a human phenomenon that, in our view, is not foreign to any known society...' (Mauss 1990)

In the ideal type the societies in the first group are said to have economies 'embedded' in elements of inter-personal obligation and reciprocity such that economic values are fixed in terms of social, cultural or religious practices. In the second group economic values are established through the action of the market itself on the basis of supply and demand relating to trading in 'alienated' commodities and are said to be 'disembedded'. From the middle decades of the twentieth century onwards, many economic anthropologists have argued that the two types of economy accordingly required different types of methodology relating to their analysis. So it was that Polanyi (1958),

Dalton (1961) and others, introducing the 'substantivist' perspective, maintained that 'gift economies' could be examined only in respect of the social relations that governed provisioning. They argued that the market-based economies could alone be correctly addressed via the neoclassical economic model, which is to say through the 'formalist' perspective of describing economic decision making as a rational process.

A large body of work was subsequently written on this position, and some of it will be reviewed in the next chapter. I shall indicate that much of the 'debate' involved constructing models which in the hands of neo-classical economists were becoming ever more complex and which in the opinions of Polanyi et al were divorced from the social elements of society involving selective readings and reporting of the results of ethnographic writings. I note that such academic discussion will inform the decisions outside academia that can affect the whole of the political, manufacturing and marketing world. It therefore becomes important to bring forward clear information. My reaction as a businessperson was to wonder why. Instead of attempting to bring comparability and measurability by adapting procedures already broadly understood by the scientific community in the political and economic sciences, Polanyi et al sought to establish a radical disjuncture between pre-modern and industrial economies. Possibly it was because they thought that by addressing premodern societies through substantivist theories, which meant a novel form of modelling using meanings and applications based on elements of kinship, religion, obligation and reciprocity, they could decontaminate 'primitive', or more desirable, culture from the baser process of market based commodity transactions. It was the growth and broad application of these

neo-classical economic theories that triggered the debate. I intend by these comments no indictment of either discipline. In modern markets from research and my personal experience the same elements of concern for recognising the desires and wants of the wider community are present among producers in modern economies, just as in the premodern economies.

My interest then became focused on whether in regular practice those who make decisions that materially affect the content and/or practices in the markets, local and global, were in their decisions taking consideration of elements that reflect embeddedness. Was it an illusion that the industrial-capitalist economies are run in accordance with formal models without regard for the social and communal fabric of society? Do the decision-makers allow social forces and customs along with expressions of consumers wants to intervene and have an effect on most or all of their deliberations and decisions? The question at the end of the day is whether markets and the activities pertaining to markets drive people or whether people, their desires, needs and wants communicated generally through exchange and purchases drive markets and determine their extent, location and content.

Marcel Mauss setting out the form and reason for exchange in archaic societies in *The Gift*, did set the stage for a new paradigm in the way research into premodern society is carried out. In the excellent foreword Mary Douglas observes:

'For anthropologists the book has provided a basic requirement for modern fieldwork. It quickly became axiomatic that a field report would be below standard unless a complete account could be given of all

transfers, i.e., of all views, gifts, finds, inheritances and successions, tributes, fees and payments' (Douglas 1990: xii).

Meanwhile, for Mauss,

'The modern economy with its increasing specialisation of functions is the backdrop to all these comparisons and particularly to the gift system yielding place to the industrial system' (ibid: xiii)

I am sympathetic to the position that when, in the context of evolution in the Western world, the gift system yielded place to the industrial those changes did not result in people losing the ability to invest goods and services with personal properties and elements of altruism. This behoves the researcher to be a good reader of industrial societies' symbolic systems (See Mendes 1999). I agree with Douglas that:

'When anthropologists search around for a telling distinction between societies based on primitive and modern technologies, they try out various terms such as pre-literate, simple, traditional. Each has limitations that unfit it for general use. But increasingly we are finding that the idea of the gift economy comprises all the associations - symbolic, interpersonal, and economic - that we need for comparison with the market economy' (ibid: xiv).

That said to study items in the 'market economy' as invested with personal or altruistic properties, it is only necessary that we be good readers of industrial societies' symbols and practices, and of our own lives (see Susan Mendes 1999: 59-69).

## The Individual and the System

Max Weber, in his *Theory of Social and Economic Organisation* (1947), attempts to qualify the effect of the individual actor on the social system as a whole given that all the elements of the system, both institutional and individual, are in some sort of dialectical motion. If we introduce 'the market', a somewhat abstract entity affecting both individual actors and institutions, into this consideration we ask to what extent we may assign to individuals responsibility for the content and construction of the market.

Weber failed to arrive at a definitive theory of the relation between the individual and the social system, given his preoccupation with elements of institutional change, coupled with his unexpected sudden death. Thus he did not adequately explain the mind and motivations of the individual within the society, nor how multiple individuals combined to construct the social system.

Parsons, in his introduction to *The Theory of Social and Economic Organisation*, observes:

'Weber was absorbed in problems of the structural peculiarities of modern Western society, of the conditions on which it was dependent and of its stability and tendencies of change. It was precisely in its differences from other social systems, in its alterations during its development, and its possible alterations in the future, as an institutionally organised system of action, that Weber was interested....He felt strongly, and rightly, that only through relating the problems of the dynamics of the whole to the motives of the individuals could he achieve a genuinely scientific level of explanation.' (Parsons 1947: 24-25, underlining mine).

From Weber we get an idea, relevant to the study of the market, its practices and institutions, of the difficulties that obtain in focusing our explanation of 'what is going on'. The real causes of social practice, whether these lie in the system or with the individual, may be obscure to the researcher and may indeed also elude the actors themselves. The negative impact of this ubiquitous problem is the confusion and profusion of theories relating to the analysis of social phenomena. As Francis Bacon, observed in *Novum Organum* (volume VIII, page 210)

'Truth emerges more readily from error than from confusion, error can be attacked directly by competing theories but confusion results only in ineffective activities directed against unidentifiable adversaries.'

The relation between the individual and the system is the subject matter of Chapter 3.

### **The Model and the Paradigm**

Political desires on the part of academic practitioners, relating to both advancement within academia and their positioning relating to wider social values, clearly underpin the modelling of the divide between premodern and industrial economies in the history of economic anthropology. The substantivist advocacy of Polanyi and his followers will be discussed in this way in Chapter 2, where the notion of paradigm, as elucidated by Kuhn (1996), explicates the radical shift in approach towards the study of the premodern economy that Polanyi envisaged. Kuhn's delineation of 'paradigm' crucially emphasises the social and cultural contexts within which academic researchers work. Though intended to exemplify academic thinking in the

natural sciences, in my opinion much of what Kuhn argues in this regard holds good for the social sciences as well.

'Paradigm', for Kuhn, amounts to a body of assumptions about the world taken for granted by a community of scientific practitioners. His point is that in a given scientific community the people concerned, who have learned their craft from the same basic sources, will seldom evoke overt disagreement over fundamentals. People whose research is thus based on a shared 'paradigm' are committed to the same rules and standards for scientific practice. That commitment and the apparent consensus it produces are prerequisite for what Kuhn calls normal science. This is

'...a means of research firmly based upon one or more past scientific achievements, achievements that some particular scientific community acknowledges for a time as supplying the foundation for its further practice' (1996: 10)

'Normal science' then is predicated on the assumption that the scientific community really knows what the world is like, and presumes a state of affairs where all scientists share the same rules and standards for practice.

Paradigms are essentially cultural constructs built around consensus among people who sign on as believers in a given theory. Directly relating to this is the observation of Sir Alec Broers, Vice Chancellor of Cambridge University, concerning innovation in technologies:

'We are in an era where the ideas of a single person alone seldom lead to fruition. All ideas originate with individuals, but their ideas must fit into a matrix of innovation before progress is made. The innovation matrix

extends across groups of researchers and, in many cases, across nations and the world...' (Leadbetter 1999-2000: 14)

Social scientists, as students of culture, have not surprisingly found it very difficult to arrive at 'paradigmatic' agreement. As Kuhn remarks:

'...it remains an open question what parts of social-science have yet acquired such paradigms at all. History suggests that the road to a firm research consensus is extraordinarily arduous.' (Kuhn 1996: 15)

When we recognise that Kuhn is especially concerned with the evolution of scientific thinking, this is thrown into relief. Kuhn is interested in how, in the natural sciences, 'revolution' in thinking occurs as one dominant paradigm becomes supplanted by another, the context for which is that the prior paradigm ceases to attract enough adherents relating to how its 'normal science' should be conducted. In this way Einsteinian physics replaced Newtonian physics. Thus according to Kuhn science progresses not as we generally suppose, i.e. growing steadily precept upon precept over extended periods as knowledge increases on a smooth upward curve, but rather in random and sudden spurts:

'...normal science repeatedly goes astray. And when it does - when, that is, the profession can no longer evade anomalies that subvert the existing tradition of scientific practice - then began the extraordinary investigations that led the profession at last to a new set of commitments, a new basis for the practice of science. The extraordinary episodes in which that shift of professional commitments occurs are the ones known in this essay as scientific revolutions.' (ibid: 6)

Kuhn stresses that to be accepted as a paradigm (or as a replacement for a previous one), a theory must seem better than its competitors, but it need not, and in fact never does, explain all the facts with which it can be confronted (ibid.: 17). This throws into relief the situation in the social sciences where, far from one theory supplanting another in evolutionary progression, two or more theories tend to co-exist, both commanding ascendancy and each with its devoted adherents. More or less this happened in economic anthropology with regard to the formalist and substantivist approaches. Initially the formalist approach was broadly accepted and prescribed generally in the 'scientific community' for the interpretation of economic life in all human societies. Then the substantivist approach was introduced as a 'revolutionary' replacement especially in studies involving premodern societies. Both perspectives then flourished concurrently, with their respective advocates in vigorous criticism of one another. Finally substantivism waned, as the political implications of drawing a wedge between premodern and industrial societies started to be aired, and as other supporters began to ask about the extent to which it had fully grasped the cultural assumptions of human economies

### **End Remarks**

Adam Smith observed in *The Wealth of Nations*:

'It is the necessary, though very slow and gradual, consequence of a certain propensity in human nature...; the propensity to truck, barter, and exchange one thing for another.' (Smith 1976: 17)

Given the agreement that markets are present in some form in all societies, the essential questions revolve around perceptions and motivations relative to

items traded in the markets and the needs, wants, and desires of people in the societies involved. Such dimensions in economic life are more apparent in pre-industrial societies. But it logically follows that they may be discerned in industrial society as well, including the fact that people in this society can and do endow commodities with their personal identity. The important question is therefore whether those in industrial society engaged in manufacturing and trading are responding to perceived 'wants and desires' emanating from within the society. The answer seems to be, yes. I will support the view that there are no impersonal markets or market participants. Success in the markets is directly related to one being cognisant of and responsive to the cultural elements acting on and through the people who buy, sell and exchange in those markets. Impersonal markets, operating as if in a cultural vacuum, whereby decisions are informed merely by cues offered through the symbol of price, in my view would have no chance of survival. On the contrary I shall suppose that the community of consumers is king, and show how awareness of this community importantly informs behaviour in the upper echelons of international business.

Rather than enter the well-examined debate between the substantivist and formalist in an attempt to validate either perspective, I elected to situate the debate in philosophical context, and also to adduce some relevant empirical factors from my own fieldwork enquiries. During my travels for observation and interviews I was exposed to contemporary public, political, and economic conditions in several countries, while at the same time hearing the positions and recommendations of institutions such as multinational banks, the IMF, World Bank, OPEC, WTO, NAFTA, etc.. These 'on the ground' experiences,

together with a perspective supplied by my personal involvement in business, provide some useful insights towards an anthropological understanding of the present-day market economy.

## CHAPTER 2

### THE FORMALIST AND SUBSTANTIVIST DEBATE IN PHILOSOPHICAL AND POLITICAL CONTEXT

#### **Introduction**

In the contemporary industrial world markets are large and complex; some are global. In attempting to understand this immense phenomenon the question arises as to how one presents markets in a form allowing one to determine such factors as their social or institutional constitution, the projection of consumption rates, the planning of production, and anticipated resistance or saturation levels. I wish to focus on the way this has generally been accomplished through the utilisation of 'models'. The modelling of the phenomenon under investigation is a routine of social anthropological analysis. Such modelling, designed to throw into relief central properties relating to the phenomenon at issue, commonly evokes a contrast between this phenomenon and other phenomena from which it differs. The risk, of course, is that overly-zealous modelling will distort the respective phenomena, and lead to misunderstanding and misapprehension. I think this has occurred in the case of the substantivist economic anthropologists when addressing the economies of premodern societies. This in turn has been to the detriment of our understanding of the industrial capitalist ('market') economy, with which premodern economy, in substantivist thinking, is radically contrasted. In

this chapter I want to isolate the political context relating to the development of substantivism. A particular focus will be on Polanyi's engagement with Marx, and related to this his concern to develop, in Kuhn's sense, a distinctive paradigm for grasping premodern social life, such that premoderns might be deemed to experience a different social reality from industrials. But this, I believe, has led to the essentialisation of both premodern economy and industrial economy. Overall, I submit that in some instances this modelling, usually from little evidence and a lot of speculation, has misrepresented premodern economy. For example, regarding evidence for the premodern economy, in fact 'only certain peasant or folk communities, which seem like primitive societies because they are small, have been made subjects of ethnological investigation, and these only recently...'

(Service 1963[1958]: xxix) - a state of affairs which compounds itself through then projecting an erroneous understanding of industrial capitalist markets. Generally a model should properly be employed to aid the interpretation of reality. The key words here are 'aid' and 'interpretation' as models are never exact renditions of factual situations; they simply attempt to account for the relationships between a certain set of phenomena by representing them in a simplified form.

### **Modelling of the Economy**

Carrier states:

'...the model of the market...appears to be a symbolic construct, one that is as much concerned with defining the difference between self and other as it

is with its putative purpose of describing a form of socio-economic activity.  
Carrier.' (1997: 32)

One of the major misdirections on the part of Polanyi and his substantivist followers was the idea that models represent the actual realities in a society's economy (Gudeman 1986: 32). In fact models represent simply a best guess or a heuristic device which is arbitrary in its relationship to empirical reality, and whose major function is as an aid in advancing our ability to comprehend the social system under study:

'Such a model has been useful in describing and prescribing action within a particular context. In anthropology, however, the model has been elevated to universal status through the assumption that its core features encode the fundamental properties of human behaviour.' (ibid: 31)

In proper practice models are used to quantify, measure, or to present phenomena in visual or useable form, and usually represent in some way 'ideal types'. It is important to see them for what they are, which is, tools to accomplish goals, not the goals themselves. Weber's concept of the ideal type is at the root of such modelling

'...substantively, this construct [the 'ideal type'] in itself is like a utopia which has been arrived at by the analytical accentuation of certain elements of reality. It is no 'hypothesis' but it offers guidance to the construction of hypotheses. It is not a description of reality but aims to give unambiguous means of expression to such description. In its conceptual purity, this

mental construct cannot be found empirically anywhere in reality.' (Weber 1947:90-91, see also Halperin 1988: 70-71).

Gandlin's analysis of Martin Heidegger's (1935-36) lectures at the University of Freiburg makes a helpful point in this regard from the perspective of philosophy. Heidegger's comments in some way anticipate Kuhn's idea of paradigms:

'...philosophy examines not our conclusions but the basic conceptual models we employ - the kind of concepts and ordering patterns we use... as Heidegger points out, such philosophic issues at first seem to be empty. Yet they very basically affect whatever we study, for, depending upon which mode of approach we use, different questions and hypotheses will be formulated, different experiments set up, different illustrations cited, different arguments held to be sound, and different conclusions reached...the 'thing' as we have things today, is a certain sort of approach to anything studied. Heidegger finds this approach current in both science and commonsense. It is an approach that renders whatever we study as some 'thing' in space, located over there, subsisting separate from and over against us and having certain properties of its own.' (Gandlin 1967:248-50)

Certainly, in research on, and modelling of, the market we seem to have followed the path anticipated and described above. In this thesis we shall examine theories of contemporary anthropologists who, with respect to both historical and contemporary societies, have examined connections between individuals, markets as institutions of societies, and cultural practices. Peter

Preston, commenting about the small amount of research time and space allocated by scientists to studying 'market behaviour', which he holds to be a 'centrally important...social and scientific concept', quotes Hodgson: 'Mathematical models of market phenomena abound...yet if we ask the elementary question - 'what is a market?' - we are given short shrift.' (Preston 1992: 57; see Hodgson 1988: 172). One agrees, and asks how ought we to theorise the market - especially in light of Preston's further observation that the idea of the market 'if closely examined is meaningless' (Preston 1992: 61).

This chapter, which focuses on the modelling of economic systems by the Polanyi school, appraises the vested interests of the contributors; I shall indicate the interweaving of Polanyi's position with Marx and Engels' 'historical materialism' as a theory to explain the evolution of mankind through systematic stages, by dialectical processes. One notes in such theoretical thinking how notions of 'primitive culture' (i.e. premodern society) underpin theories that support political or personal agendas. Today, on the so-called 'information highway' we are mainlining propaganda - from special interests, governments, NGOs (non governmental organisations), even religions. With regard to the market, the challenge is to go directly to facts on-the-ground, to the persons and activities involved.

### **Polanyi and the Modern Market**

Karl Polanyi [1886-1964], Professor of Economic History at Columbia University in his paper 'The Economy as Instituted Process', published in 1957, proposed a

new methodology for analyses and reporting on 'primitive' or non-market driven societies. This took a cue from Max Weber's reference to 'substantive' and 'formal' as differing perspectives on human endeavour. In Weber's terms the substantive basically refers to humans securing basic needs for sustenance, and the formal means the extent to which it is possible to carry through accurate rational calculation of the quantities in economic orientation (Parsons 1964:P. 35). Polanyi emphasised the 'substantive' model as the exclusive means to study 'primitive societies': this model attended to supposedly integrating elements for provisioning human society, namely reciprocity, redistribution, and exchange - elements held by him to be pivotal in this type of society, which, significantly, do not imply choice, rationality, or insufficiency of means (Polanyi 1957: 243-70).

Polanyi was highly influenced in his interpretations by Marxist theories especially regarding 'alienation', i.e. the turning of labour used in manufacturing objects and the objects themselves into 'commodities', and also 'commodity fetishism' (Halperin 1988). Polanyi was motivated to separate capitalism from what he envisioned as a more desirable 'primitive' state of economic activity. Thus capitalist or market driven social systems were in his view the only types of social and economic system that could be analysed through 'formal' or neo-classical economic models. He possibly rightly worried about a cavalier application of the neo-classical economic models in respect of a wide range of different types of society, presenting an idealized market concept separated from societal and cultural influence as objective reality, as mistaken and felt a duty to voice his feelings. Although substantivist procedures could be deployed to

understand any type of social and economic system, by default they were the only procedures suitable for non-capitalist systems.

The vehicle which it seems opened the door allowing Polanyi to move his theories into the mainstream of the scientific community appeared in 1954 when *The Gift* by Marcel Mauss, first published in 1925 in France, was translated. This was indeed a seminal work, defining the elements of a 'gift' economy based on reciprocity (i.e. gifts, return of gifts), and the compulsory elements in society that informed such reciprocity (obligations to give, to receive and to repay). Here, ready-made, was a viable alternative to the prevailing rationality-based economic models, a work perfectly illustrating the (embedded) characteristics of trade in the non-capitalist domain. Polanyi's substantive theories, partly on the strength of the compelling nature of Mauss's study, began quickly to find a generation of followers. Thus commenced the substantivist 'school' (paradigm) in economic anthropology. We shall return to Mauss later.

The term 'embedded' as related in Polanyi's work connotes economic practices, including production practices, in pre-capitalist societies which are based on kinship, religious, or other social relations. These sorts of relations can be interpreted as providing social or economic insurance against temporary economic loss or other crises. But according to Polanyi they are definitely different from, and opposed to, rationality based, market driven systems in which are traded objects alienated from the labour that produced them (in the Marxian sense, commodities). From the Marxian position the persons participating in such markets experience 'commodity fetishism' i.e. they see economic value as

residing in the object of commerce itself separate and apart from the labour that produced it - thus ascribing to it properties it did not, and in his view, could not, possess.

The implication, from Polanyi's work, is that markets in the contemporary world are not embedded, and this is the matter on which my research has focused. First, the activities in the market places from the viewpoint of the corporate executives making the decisions, their perspectives, motivations, corporate intents and purposes, have not in my view been examined through data collected from a wide sampling of multi-industry, intercontinental persons holding these positions, nor by anyone with decades of experience in the same or similar offices.

Second, and importantly, the world is consumed at present with activities, theories, and violence revolving around the concept of globalisation. This concept is overlaid with misunderstandings, propaganda, and all manner of special interest publications and pronouncements mostly intended to incite opposition to it. The debate concerning globalisation does not contain elements or characteristics of maturity. As a matter of fact thanks to such technologies as computers, satellite communications, the internet, etc., it has just begun to heat up. Globalisation can quite easily be construed or characterised as either a great universal blessing or the greatest danger to have faced humanity culturally or economically. Unlike other changes/ideas that have appeared in history this one is perceived to eventually have some effect on every living human. This paper is not about globalisation as such, except to the extent its dynamics have direct

bearing on the issues involved in markets, modelling, embeddedness and disembeddedness, which I submit are extensive.

It is within this context that this research was envisioned, to make a contribution from a different perspective, and from a somewhat mature debate, namely the substantivist/ formalist debate. The globalisation versus anti-globalisation debate in many ways revolves around the same types of questions as the substantivist/formalist debate, that is, to what extent is an ongoing and pre-existent socio-cultural context an essential matrix within which the global corporations make their decision? Succinctly, if elements of embeddedness prevail relating to the contemporary market, then we may at least take a degree of comfort that there is in global consolidations nothing sinister, nor destructive to culturally determined wants and needs.

### **Embeddedness**

As stated by Polanyi, 'The human economy, then, is embedded and enmeshed in institutions, economic and noneconomic' (Polanyi 1958: 127). The inclusion of the noneconomic is vital. 'For religion or government may be as important for the structure and function of the economy as monetary institutions or the availability of tools and machines themselves that lighten the toil of labour.' (ibid) With that Polanyi indicted the scientific community when performing analysis on 'primitive' societies. Scientific analysis, based on neoclassical economics, failed precisely to take into account the non-economic element, and this element was central to the structuring of these, or, rightly, any sorts of societies.

But notions of 'embeddedness' are important in respect of all human societies. They are indeed central to our present research, namely the question: whether social elements in modern consumer societies guide those in the higher echelons of large modern corporations when making decisions that affect those societies? If they do not so guide then one can say that entire cultures are effectively disenfranchised. On the other hand, if they do, then one can say that embeddedness does prevail in relation to the contemporary market. It seems to me that Polanyi's idea that the modern market is not embedded is logically questionable. For Polanyi the 'primitive' economy exhibited certain traits and key elements supported by 'a great variety of institutions other than markets in which man's livelihood was embedded.' (ibid: 123) But this statement implicitly recognises markets as societal institutions. All institutions emanate from collective acts by individuals who form and are formed by their culture; institutions of society arise directly in social milieu. As such, markets should necessarily be embedded.

Nonetheless Polanyi insisted that scientific models of the economy, which construed the modern market as disembedded, were appropriate for understanding capitalism. 'The formal meaning [of economics] implies a set of rules referring to choice between alternative uses of insufficient means' (ibid.: 122). According to Polanyi, the market economy has rational logic as its basic principle. The formal meaning of economic, as employed by neoclassical economics, was acceptable for this, but only this, type of economy. The diametric opposition between premodern and modern societies which Polanyi

draws implies in the case of modern society the complete elimination of the relevance to central economic practices of established internal social relations and practices in the community, family relationships, religious observances, and the influence of other institutions of society such as marriages or other occasions where gifts and services are exchanged. Albeit that the modern market largely involves strangers, along with products whose producers are not known and whose relative values are set by price, it was hard to accept that modern society is completely detraditionalised. And actually it is not. One also notes that practices in the market place regarding price are not in fact invariably non-social and 'automatic'.

As Godelier notes of Polanyi's radical separation of the premodern and the modern: 'This distinction seems to me to be a questionable one, since the term 'disembedded' could suggest an absence of internal relation between the economic and the non-economic, whereas this relation exists in every society' (Godelier 1972: 268). This is interesting because Godelier, being sympathetic to the philosophy of Marx, might be expected to join ranks with Polanyi. To his credit he saw somewhat more clearly the strength and durability of community culture and non-economic social forces in the modern society. He points to societies' appropriation of commodities in this regard, a point most competently examined by Douglas and Isherwood (1996) in which exchange, appropriation and consumption are construed as representing a continuing process of personalising commodities. As I see it, even as, in human societal evolution, there has occurred expansions or other changes in methods of acquiring a living,

ongoing processes ensuring social elements of embeddedness have continued throughout.

Polanyi was clearly seduced by the fact that modern markets seem to deliver benefit to the human population as agents unto themselves.

'Here exchange is the form of integration that relates the partners to each other. This comparatively modern variant of trade released a torrent of material wealth over Western Europe and North America....The range of tradable goods - the commodities - is practically unlimited...The market mechanism shows its immense range of application by being adaptable to the handling not only of goods, but of every element of trade itself - storage, transportation, risk, credit, payments, etc - through the forming of special markets for freight, insurance, short-term credit, capital, warehouse space, banking facilities, and so on.' (Polanyi 1957: 138)

In my personal business career I experienced every type of trade activity named by Polanyi, in the above quotation, as president and chief executive officer, general manager, or owner of a company in that particular business, and share his opinion on market trading's flexibility, social integration, and broad benefits. When one says the market as an objectified idea does not exist, one does not intend to infer in any way that the actions, practices, exchanges, benefits, and other properties rightly attributed to the markets are nonexistent. They do exist! What we have termed the market is just the reflection of that activity, the aurora borealis of a grand universal phenomenon. But Polanyi's attitude to the modern market seems to have followed the traditional approach

relating to the sheer complexity of human relations established through modern trade, namely to construe the facilitator (the market) as a 'thing' and study that thing as if not integrated into a socio-cultural context.

### **The Economic and the Social**

The miracle of the modern market lies in its being interconnected with other social institutions. Max Weber, discussing economic action, and noting that in all human societies individuals pursue economic advantage, states:

'It is further necessary to formulate the concept of economic action in such a way as to include the modern market economy...the concept must take account, on the one hand, of the fact that utilities are actually sought after - including among them orientation to pecuniary acquisition for its own sake. But, on the other hand, it must also include the fact, which is true even of the most primitive self-sufficient economy, that attempts, however primitive and traditionally limited, are made to assure the satisfaction of such desires by some kind of activity.' (Weber 1947: 159)

In Weber's view 'utilities' always means 'specific and concrete' and 'real or imagined advantages or means' for use in the present or sometimes in the future, as their value is 'estimated and made an object of specific provision' by economically acting individuals (Weber *ibid.*:164). To what extent, however, did Weber acknowledge that economic action was subject to social constraint?

Le Clair and Schneider, discussing the 'substantial disputes' between economists and anthropologists concerning the nature of economic systems and

how they should be studied, provide the appropriate answer. 'But today all agree... that economic activity, properly considered, is a social process of some sort or other.' (1968: 3) This was clearly Weber's position, and as a matter of principle it gives the lie to the notion of the modern market as being constituted by idealised asocial individuals acting solely in their own self-interest:

'The idea that any society has an economic system implies that the organisations, institutions, practices, and beliefs of the society which are concerned with economic processes are something more than an unstructured aggregate... such systems have as their function the provision of orderly procedures for resolving economising problems which are social.'  
(LeClair 1968: 199)

If we move ahead in anthropology with the social elements of markets and economic systems as a given, we begin by deduction to put distance between the activities in markets enumerated up to this point, with which we must include consumption, and the notion of 'disembedded' markets.

Le Clair and Schneider credit Malinowski for the general acceptance of economic activity as social, through his account of the kula ring among the Trobrianders in the Western Pacific, as it was '...one of the first systematic attempts, and certainly the first searching attempt, to examine economic activity as a social phenomenon' (LeClair and Schneider 1968: 3). Malinowski saw the kula as a 'passing from hand to hand of two meaningless and quite useless objects' (Ibid: 4), a ritual exchange, separate and apart from normal market trading. Firth (1964:209-228) says Malinowski was concerned with the social

context of economic activity; a point at times missed by those interpreting practices such as the kula as evidence of noneconomic or purely altruistic behaviour. Through Malinowski we glimpsed:

'...how complex the economic activity of 'savages' could be, how elaborate trade might get, and how complex the holding of rights and wealth are...he showed how magical practices served a positive function in the economic system by instilling confidence and hope in the individual who was setting out on a trading expedition.' (Le Clair and Schneider 1968: 4)

This function of instilling confidence and hope in individuals, is, I believe, served today, in the industrial-capitalist world by the myth of the market. When the ability to participate in what is perceived to be entailed by 'the world market' becomes possible, one expects fair prices, reasonable quality, assurance of payment, along with expanded (really unlimited) marketing possibilities.

The other side of this coin refers to economic action in premodern societies. Robbins Burling (1964), following what Mauss taught in *The Gift*, correctly puts paid to the idea that individual self-interest was absent in such exchanges Likewise Goodfellow states:

'Even if the savage, therefore, could be said to be 'dominated by custom' this, far from meaning that he did not dispose economically of his resources, might mean just the opposite; for custom may best be regarded as the mechanism through which this essential aim is achieved.'

(Goodfellow 1939:16)

The social context of economic action, relating to all human societies, is further informed by the idea of scarcity. We should question the radical distinction that premodern society is not governed by scarcity whilst the industrial capitalist economy is so governed. In this distinction, in the premodern economy, governed by social custom, people enjoy the luxury of not producing as much as they theoretically could (underproduction). Meanwhile in the industrial capitalist economy people, seen as unconstrained by the social, are assumed to have unlimited wants and desires. Thus Galbraith maintains that in the modern world the problem is not scarcity but abundance, and studies of the premodern world provide evidence of economic disaster and starvation. The point is, in both 'worlds', economic shortfalls arise from patterns of wrong production maldistributed (see Susan George 1984).

### **The Relevance of Marx**

Peter Singer, begins thus his informative book on Hegel:

'No philosopher of the 19th or 20th centuries has had as great an impact on the world as Hegel. The only possible exception to this sweeping statement would be Karl Marx - and Marx himself was heavily influenced by Hegel. Without Hegel, neither the intellectual nor the political developments of the last 150 years would have taken the path they did' (Singer 1983: 1)

Hegel was indeed a foundational figure whose original concepts have subsequently fuelled an industry of critical theories and commentaries, as interpreted through several generations not just in academia, but also in politics,

economics, labour, and government. The most famous of these commentators was of course Karl Marx, who followed Hegel as a contemporary and as a teacher at Berlin. Marx, in any event, had by far the greater impact, but at the time was one of a group known as the 'young Hegelians'. The imprint on Marx from this exposure and Hegel's effect on his thinking never faded. This is evidenced by Marx's producing, in 1843, *The Critique of Hegel's Philosophy of Right*, in which he stated his belief that the proletariat must emancipate itself and thereby the whole of society. By then, Marx had envisioned and embraced the Communist cause, as he began his lifelong critique of capitalism, established close association with the emerging labour movement and espoused the notion of alienation of man under capitalism (Elster 1986: 56). One of Hegel's key ideas that interested Marx, as we shall see, was the notion of alienation.

It is not possible to exaggerate the impact and effect Karl Marx's theories have had on the world since his time. We will examine some of his better known positions that directly relate to our present inquiry.

Polanyi outlined the substantivist/formalist distinction in economic anthropology as enshrining two different perspectives for the study of economic systems. The 'substantivist' perspective instructed a focus on '...man's dependence for his living upon nature and his fellows. It refers to the interchange with his natural and social environment insofar as these resulted in supplying him with the means of want satisfaction' (1957: 122). Meanwhile '...the formal meaning of economic derives from the logical character of the means-ends relationship as apparent in such words as "economical" or "economising". It

refers to a definite situation of choice, namely, that between the different uses of means induced by an insufficiency of those means.' (ibid.) As we have seen already a debate followed within anthropology concerning the relevance of these approaches to respectively premodern and industrial capitalist systems, which effectively invited protagonists to line up for or against Polanyi's view that premodern systems were not amenable to study through a formalist approach. The point to make now is that the intrinsic language of the debate is replete with Marxian terms and influences. Thus Halperin states:

'In order to understand the cross-cultural implications of Polanyi's concepts, his writing must be interpreted both as an outgrowth of and a reaction to that of Marx. There is an underlying consistency in Polanyi's work, the basis for which originates in Marx's writing.' (Halperin 1988: 26)

Likewise as we delve into the many writings about elements and properties of markets we cannot escape influence from Marx.

Marx posited that sets of social relations were produced by the activities involved in producing goods for the economy: simply stated, everything in society has its origin in production. This position is opposed to one that stresses demand for goods, or consumption, as being foundational. From this premise Marx projected the idea of successive 'modes of production' emerging one from the other through a dialectical process that reflected the fact that all modes tend to develop 'contradictions' which implies a tendency towards instability and change. Thus for Marx 'historical materialism' represents the application of dialectic method specifically to human history. This he held to have evolved

along solely material lines; Marx rejected idealism which holds that mental phenomena create material reality. The term 'mode of production' simply puts a name or label on the relationship between the 'material means of production' (e.g. land, machinery, capital, buildings, etc.) and the 'social relations of production' which represents the relation between the respective social units organised into a productive process. Of particular interest in Marx's work is the way he extended his analysis of the evolution of modes of production so as to hypothesise an historically original, first mode of production – a 'primitive communism' devoid of private property rights, where people held all things in common.

According to Marx, along this path of evolution economies reached the capitalist mode, wherein social relations of production and means of production were separated, and those who owned the means of production, in Marx's terms 'bourgeoisie', expropriated labour (hours of productive work) from those actually doing that labour. In other words Marx construed capitalist labour as a 'commodity', that is to say as having exchange value. Marx's concept of 'alienation' was designed to highlight how, in this system, people viewed both their labour and themselves as objects separated from the items they produced. Weber invokes the market in his comment about this:

'...from a historical point of view, the expropriation of labour has developed since the 16th century in an economy characterised by a progressive development of the market system, both extensively and intensively...and by the structure of power relationships in the society.' (Weber 1947: 247)

For Marx the capitalist system, thus understood, was inherently unstable.

Expropriation of labour value would develop to a degree where the 'proletariat', or workers, would rebel against their oppressors which would in the end usher in (a return to) the 'Communist' state.

Alienation is not necessarily connected with the exchange of money as part of a transaction. Being designated or having the characteristics of a commodity springs from the relationships between both those involved in exchanges and objects being exchanged. Simply put, in alienation no discernible association can be made between the objects being exchanged and the transactors; the objects bear only abstract value or utility. In contrast, following Mauss (1990), gift transfers, whether executed contemporaneously or with time delay (one gift being delivered at one time, the reciprocal gift at a later date) contain discernible, known relationships between the parties and the objects to be exchanged.

Marx used another term that has returned to my thoughts repeatedly, 'lumpenproletariat'. This refers to the most marginal poor in the proletariat - the unemployed, who have neither reason to hope for employment, nor any change for the better in their living conditions. As I travelled over the decades I came into contact repeatedly with groups and segments of populations I fear fit this description. In recent travel especially into emerging industrial or Third World countries I found their number to be very large indeed. Marx's concept ought to inspire focus on marginalized people, who constitute human resources of great value to overall world improvement and economic success.

An implicit question in this thesis is whether, in the context of the industrial capitalist world, there exist societal practices and institutions that overcome alienation, much like the human body's auto-immune responses when attacked by disease? We know that Marx's theories regarding alienation complemented his socio-political motivations, and were connected to his deep interest in the emerging labour movement of his day. Marx's notions of a 'working class' divorced from ownership of 'means of production', and of 'surplus value' (relating to the labour-time owners expropriated from the work force) had a much greater impact on the public in Marx's day than later. Even so, as the industrial age developed and expanded elements of alienation became more pronounced and prevalent in regards both to objects and methods involved in transactions. Relative to objects, most became produced by unknown, never seen, companies or persons, or, due to ever increasing technology and mechanisation not produced by persons at all; changes in methods of ordering and executing exchanges became more numerous, objects have come to be exchanged by post, telephone, and now fax and e-mail, intermediaries became involved – agents, brokers, middle men, etc.

That said, the sharp end of Marx's theories regarding the industrial world became blunted by changes in the abilities of workers in all walks of life to not only fill their basic needs for subsistence, but, also ever increasing wants and desires occurring as a natural outgrowth of increased productivity accompanied by lower prices and wider availability of all objects and services through faster, safer, distribution and mechanisation. At the same time pay and benefits were

increasing, as the central importance of the labour force was recognised by producers. Marx's vision incorporated the continuing of circumstances that had prevailed for a very long time indeed, that by his evaluation could only be changed by revolution, resulting in state ownership of the 'means of production' in a 'Communist' 'mode of production'. Unanticipated by Marx the public's pain continued to decrease as consumerism increased; this along with growth in ritual observances, special occasions, i.e. anniversaries, birthdays, secretary's day, etc., resulted in a new view of commodities or objects when purchased for special purposes.

Also, given the long historical period since the first appearance of the 'modern' capitalist market, it would appear logical for there to have emerged a 'curative element' relating to alienation whereby individuals, objects, and services acquired in the markets might be incorporated into a single frame of reference, thus reconnecting people's social identity with the goods they produced through their labour. This would be in line with Carrier's observation that '...a person who is in a relationship of identity with an object or other person shares substance or being with it. With alienation there is no such sharing' (1995: 10). In Chapters 5 & 6, in reference to 'post-capitalism' I shall draw attention to what I call the new embeddedness that has emerged in the Western economy in very recent times, where such processes may indeed be occurring. In other words, if the cold, unfeeling market-driven, and 'disembedded' world some had predicted were to be avoided a new view of these objects or 'commodities' and the perceptions surrounding their exchange is called for: such as recognizing continuing direct

dealing between producers and consumers which can incorporate face to face negotiation (see Dilley 2004). I shall indicate below that the necessary adjustments to preserve social meaning have been adopted, apace with the growth of the new production, marketing and consuming world. Objects acquired from this world for use in the personal areas, of home, family, friends, and close community, have become viewed as having special identities and signifying close personal relationships by the persons sharing their uses and given the same social import as gift transactions (Carrier 1995: 21).

### **The Political Dimension of Marx's Work**

I wish to register disbelief on my part that when Lenin guided the founding of Russian Communism, he established what Marx had in mind. The Russian form of Communism was from its very beginning very much an elitist society, resulting from a small number of revolutionaries taking total control and simply replacing the bourgeoisie by the installation of the Communist Party faithful in the high echelons of government in a dictatorial manner. This was followed by elimination of private property rights, and then semi-enslavement of the working classes, by moving all the proceeds received from labour's production into the State's accounts, and using them for the comfort and benefit of Party members.

One can hardly believe this was what Marx intended. He broadly discussed a vision of re-establishing a spiritual connection between labour and the objects labour produced. Thus would end alienation, with labourers identifying with, and

most importantly being reconciled to, their own objectified essence, and benefiting directly from exchange of their production in the marketplace.

Karl Marx evidently had a high degree of political commitment to his ideas of 'historical materialism' and the dialectical process implicating changes in 'mode of production' which he was confident would in the end lead us to a state of 'Communism'. In *Pre-capitalist Modes of Production* (1964), he expressed the view, which I noted earlier, that such a state had already existed in earlier societies, which he designated 'primitive communism', where hunter gatherer groups held common property and shared food and other supplies on an equal basis. This was not, however, an accurate analysis of life in those societies, as subsequent study has revealed. For example, each member enjoyed ownership of personal property such as wives, tools, weapons, shelter, clothing, and social rights relative to their standing in the political or religious structure, including the chance of being allocated the most favourable portions of food; they did however participate in the hunts and gathering forays on a co-operative basis (see Service 1963 [1958]: xxix)

It is no less than surprising in view of Marx's insights into grand, even seminal ideas and ideals, that he exhibited a lack of faith in the future ability of the labour movements in which he was both highly interested and very active, to evolve solutions to the problems he described so well. As noted above, Marx projected many elements of successive modes of production, but failed to envision the power that would migrate to the emerging labour movement. This would have the effect of ensuring the worker or producer a fairer share of societal benefits,

which would remove the necessity for the 'dialectical' conflict Marx anticipated. The labour movement indeed would rise to a position of sufficient power to direct not only the actions but the form of governments. Indeed in successive generations laws have been enacted to 'protect' societies from organised labour, as well as laws to protect labour from the greed and power of governments and industries. Marx did not foresee forces within society and industry, especially the potential within the labour movement, to resolve the imbalances he saw as generic in capitalism, even in light of his belief that all right and power resided in labour.

It is fair to state that a perception exists in the social science community that Polanyi was actively in sympathy with the socialist or Communist cause and therefore in general with Marxism (Halperin 1988). In this work we are not examining political philosophies, so I will leave questions relative to the extent of Polanyi's commitment to Communism open; in his era Communism was reflected primarily through the Soviet Union's interpretations of Marx via Lenin. Marx's idea of 'alienation', prevailing in the 'capitalist mode of production', supposes that none of the elements of kinship, custom, reciprocity and distribution exist in the social relations of production as they had in evolutionarily earlier societies. This idea in an expanded form became the basic principle for Polanyi and his followers to isolate 'Western' economies as 'disembedded' – that is, not containing the elements set out above. As discussed in this chapter, many anthropologists do not accept the dismissal by substantivists of the social elements from markets in Western, or indeed any society.

What we can say, at this point, is that there is a parallel between the protagonists in the formalist-substantivist debate and the radical, and political, distinction, provided by Marx in his contrast between capitalist and non-capitalist economic systems. Marx's contrast is paradigmatic in the sense that it is not value-free. It is judgmental regarding the attitude taken towards the understanding of the contrast, such that those not upholding a radical distinction are deemed to be 'lacking in humanity'. This reflects the view that the 'primitive economy', against which the capitalist economy is counter-posed, is the sole repository of positive human standards. The community of practitioners (to use Kuhn's term) who lined up with Polanyi, in advancement of substantivism, likewise clearly saw themselves as occupying a moral high ground.

### **Essentialising the Economy**

There is much in the approach to human economic life taken by Polanyi and Dalton that reflects an 'us and them' contrast. That is to say, these writers supposed a radical difference between industrial and premodern economies, by stereotyping them. In short, they fall into a sort of 'ethnographic essentialism' in the sense noted by Carrier: they are characterised as 'capitalist' and 'primitive', not as a 'particular set of people at a particular place and time... in these years' (Carrier 1992: 196). Carrier stands Polanyi and followers accused of an 'Orientalism' in their description of premodern society and 'Occidentalism' in their accounts of industrial society. Their descriptions of the two types of societies 'are produced by means of the juxtaposition of two opposed, essentialised entities'

(Carrier 1992). Thus premodern society is stereotyped by selectively focusing on social features that make it different from industrial society (Orientalism), and industrial society is likewise stereotyped by focusing on features that make it different from premodern society (Occidentalism). As Carrier says, we have here an 'imposition of an identity created in dialectical opposition to another identity, one likely to be reified,' [Carrier 1992:196]. Thus there is premodern economic life erroneously deemed to be totally steeped in customary constraints and injunctions, leaving no place for the economising individual, and industrial economic life, erroneously deemed to be entirely separate of cultural, political and other non-economic domains.

The vested interests of the substantivist school were clearly academic in content. Polanyi's ideas could be disregarded or discounted on the grounds of vested political interest, but that would be wrong for several reasons. First he and his colleagues were respected and knowledgeable members of the scientific community who contributed much of value. In my opinion much of Polanyi's objection to neo-classical economic models was well founded, as they have evolved to underlie large national and international economic dislocations, for example as bases for 'structural adjustments' required by the IMF or World Bank in emerging or developing economies (Miller 1997: 38).

Second there was confusion in anthropology. Anthropologists had almost exclusively focused on premodern societies as their objects of enquiry (see Service 1963). These societies, empirically remote from industrial society, had invited their own distinctive perspective for examination, which predisposed the

development of the substantivist approach. But as anthropologists moved into the study of more modern and complex societies, and as premodern society began to become more integrated into the capitalist sphere, the relevance of such distinctive perspectives came to be called into question. The ensuing formalist-substantivist debate can be seen in this light, with substantivist anthropologists holding out for the 'distinctive perspective', and formalist anthropologists strongly refuting it. Thus the debate can be said to have acted as both a procedure, and catalyst, for learning.

Third (and in favour of Polanyi's position) assurance is needed in the world of expanded commerce and communication that the beliefs and practices, religions, language and cultural institutions of nations and communities are being considered and given weight in these days of impossibly rapid communications, accompanied by political and economic consolidations (e.g. the European Union, NAFTA, etc.) Simply put assurance is demanded that the social elements of life continue in the markets and are functioning well. The substantivist approach directs our attention to these ethical matters.

Fourth, Polanyi's ideas opened other avenues of research, notably the development of the sub-field of economic anthropology worthy of theoretical consideration (Halperin 1988: 26). The juxtaposition of 'economics' and 'anthropology' here focuses our attention in the opposite direction to the third point, above: towards the matter of the relevance of neo-classical theory as a unifying approach embracing not just capitalist practices but economic practices in all human societies.

Meillassoux notes that for Polanyi and his school the rise of exchange was the major distinction - 'the great transformation which separates the antique from the market economies' (1985: 5). Meillassoux notes how, in Polanyi's (essentialist) terms, two forms of circulation dominate the former, i.e. reciprocity between peers and redistribution by a central authority, whilst by contrast the 'exchange' of commodities dominated the industrial economy. However, Polanyi's distinctions are 'still descriptive and structural and do not touch upon the phenomena of production, although it is from production.... that relations which operate at the level of circulation develop' (ibid: 6). Paradoxically, in view of Marx's influence on Polanyi, one hears in this criticism echoes of Marx. Thanks to the notion of 'social relations' of production, Marxists usefully stipulate the social as necessarily inculcated in modern markets.

'In fact, the economy is integrated into capitalist society just as it is in other societies. Polanyi here is confusing economics as a discipline, the product of an intellectual division of labour, with its object. Marx showed that what appeared to the liberal economist to be purely economic and material, for example commodities or capital, was, in fact, the crystallisation of social relations' (ibid.: 13).

This discussion goes to the centre of my personal view regarding anthropology's analysis of the modern market. Misdirection arose from the initial separation of 'primitive' and 'modern', assuming the two sides upheld different purposes and motivations in their activities related to producing a livelihood and satisfying their wants. The ethnographic results were influenced by the colonial context (in early

days), Western bias, and a lack of reflexivity on the part of participant observers (Hastrup 1992:117). This normative process is then exaggerated and becomes divisive (in the sense of essentialism). Thus, regarding premodern society, 'the primitive' as a person, or 'primitive society' as a way of life, is stereotyped as existing through some fundamental principle other than self-interest' (Parry 1986: 454). 'Primitive people' come to be held universally to sustain the qualities of simplicity and honesty and are perceived to be in some undefined way as better, or more natural, than the Western industrial capitalist. Ubiquitous in prose and poetry is the myth of the 'noble savage' - a person interested only in the common good, always doing the 'right and honourable' thing. This perception of the premodern society is supported indirectly in anthropology (especially in the early ethnographies) through notions of selflessness and altruism, wherein people are deemed to have little or no regard for their individual advantage. As intimated earlier, Service, writing on the Zulu in Africa, somewhat negates this view as he points to property rights, privileges of class, inheritance rights, ownership of weapons, clothing, cattle, each wife owning her own hut along with the utensils that pertain to it (Service 1963: 301)

The reality, however, is that '...rather than being slave to custom, the 'savage' is as canny as the 'civilised businessman' and has quite as sharp an eye for the main chance....and though he is not Economic Man, he is nonetheless Maximising Man' (Parry 1986: 454). I wholeheartedly sympathise with this, having had the experience in several different developing countries of being 'bettered' or out-traded by some innocent-appearing, uneducated, or country

person in trades involving agricultural commodities, land, horses, automotive and farm equipment, guns, dogs, and even aeroplanes. As Burling notes, commenting on Polanyi's position, the same economic elements occur in both 'primitive' and market driven economies, involving both 'material goods' and 'services': 'I feel that their discussion rather obscures the possibility that primitives may also 'economise' (i.e. practice rationalising calculation)' (1968: 170).

One must agree with the position that all markets are culturally constructed, that what we are dealing with are persons individually involved in producing a livelihood, and also that market elements in premodern societies and those said to prevail in 'Western' societies, are generally similar. The unsupported general terms employed in the 'substantivist' position do not intrinsically preclude this being true. As LeClair says, examining Dalton's (substantivist) position: 'Nowhere does Dalton explicitly define the terms, 'primitive market economy' 'primitive structures' or 'primitive economy' (1968: 189). They are implicitly defined as non-Western, non-market, and non-industrial. 'The weight of ethnographic evidence strongly suggests that such an assumption is not warranted...' (ibid). Contexts and empirical procedures may vary, but people's intentions and motivations are little different between 'gift societies' and 'capitalist societies'. Assumptions to the contrary (even Marx's) are just that, imaginative assumptions. And correspondingly the substantivist idea, that people in modern or Western societies are in every instance motivated under conditions of scarcity to maximise satisfaction, in utilising limited means through logical choices to

acquire only material goods, should also be transcended. In sum, just as humans generally have a propensity to project paradise into the future we also tend to construct Utopia in the past, a trait that should have produced caution with regard to the construction of hypotheses about the premodern way of life as different in kind to the industrial West.

The irony of all this is that many of these points had already been anticipated by Mauss in his great work on 'the gift'.

### **The Contribution of Mauss**

One explanation for the universal acclaim for Marcel Mauss's seminal essay, "The Gift", is that he squarely faced the prevailing world views, and put paid to the ideas of selfless giving, and of 'free' or 'pure' gifts unattended by expectations of return, or having the properties of total altruism. Indeed he negated the whole idea of obligation-free acts of giving: 'Mauss manages to incorporate individuals acting in their own interests, even in the kinds of societies in which Durkheim had thought that there was no scope for individual self-interest' (Douglas 1990: xiv). In this regard Parry notes how Leach invites us to view the situation in terms of a sequence of dyadic exchanges which are in the long term balanced. 'Exchange is a quid pro quo based on a certainty of returns' (Parry 1986: 454). The notion of dyadic underlines the social elements in such reciprocity-based exchanges. Dyadic as a social concept originated with Foster (1961) and connotes an exchange relationship that is never balanced - where there must always be a debt. To balance the 'account' would be to terminate the relationship. By

choosing with whom we keep open exchanges, one patterns one's allies and associates. In this context '...society is created by, and its cohesion results from, an endless sequence of exchanges in which all pursue their own advantage (however conceived)' (ibid: 455).

Mauss's ideas represented a revolution in anthropology, in Kuhn's sense; they changed the scientific community's 'assumptions of what the world is like' and set a new direction and operational 'paradigm' for how anthropology was to be done. After *The Gift*, 'nothing has been the same since (Douglas 1990: xiv). Douglas further lauds Mauss's great 'idea of a morally sanctioned gift cycle upholding the social cycle...' (ibid:x). She also suggests that the '..."gift economy"' seems to supply a good substitute description for primitive, simple, pre-literate, traditional, societies all one way or another unfit for general use' (ibid.: 12). Mauss presents in the gift cycle a good theoretical counterpart to A. Smith's invisible hand, as gifts demanding reciprocity guide and direct social relations and through those the society, paving the way to the idea that industrial markets are cultural constructs.

There are presently many internationally traded objects that hold on to an identity with their producers; they are commonly highly prized. I will not enter the world of art where the circumstances are obvious; art items however, are not often traded in the general markets. Among more commonly traded items that bear a relationship of identity with specific peoples are Scotch whisky, Belgian chocolates, bespoke designer clothes, Irish linen, and also automobiles where brand loyalty is at an astounding level such that purchasers may choose the

factory in a given country in which they are to be produced. Elements of social appropriation are also present to the extent that the item in question becomes a 'possession' uniquely yours: in ordering a particular car one is allowed to choose colours, interior appointments and trim, drive line components, wheels and tyres, operating and electronic systems, and body style. When one considers speciality items such as guns, boats, horse tack, mountain climbing equipment, aviation parts and supplies, and numbers of other categories there is a relationship between producer and consumer that from my personal experience is close, meaningful, and many times face-to-face (ergo, post-capitalistic in nature), that is, neither producer or consumer is invisible to the other and both are aware of that fact. The fact is that not everything is 'commoditised'. This refutes the suppositions of Marx, Engels, Polanyi, Dalton and their followers that all items for exchange in capitalist western markets are devoid of elements of social relationships and identity. 'Appropriation' occurs as well in respect of the emotion and physical effort that is expended in shopping, wrapping, or preparing (in the case of food stuffs) at Christmas or other ritual observances things to be given to loved ones and friends. It also occurs in the case of husbands who restore, repair, and refinish furniture for the household, wives who transform their purchases into tasty meals. (See Carrier 1995: 120-1).

## **Conclusion**

In markets physical circumstances and procedures, numbers and kinds of objects available in markets change, but the intents, social motivations, and ritual

observances in societies change little, if at all. On the latter matter what comes across many times as change is simply the utilisation of another method of accomplishing the same act for the same purpose. Almost nothing remains a commodity in Marx's sense. As things are converted to uses or gifts they become personalised and evoke the same emotional responses as they would if actually made by the giver or vendor. Indeed in today's mechanised and computerised factories 'surplus value' is not created by human labour. I toured a General Motors engine plant in the 1980s. It was a state of the art, automated, and very large efficient factory needing only about a dozen employees: very impressive, and, by the way, they were able to point to a measurable improvement in the quality, and reliability of their product.

If we unpack anthropologists' models and economists' models of the same society's economy and market how would they differ? We can certainly say that the purposes for collecting the data and how they are interpreted will vary. The economist is mission-directed, with very well-defined rules to follow within the parameters of the assignment. For example, the desired result can be for audit, which is simply for measuring, quantifying, taking inventory, or building a pro-forma for predicting or making projections. An audit is simply measuring performance from a given past date by producing a snapshot of the conditions and circumstances up to a date recorded on the report, and making a comparison. Where the intention is to quantify or to make an inventory, then a model of sustained past production is constructed from historical records; this allows the inclusion of estimated levels of product in the pipeline, plus actual

count of product on hand or in transit: the total is the acceptable inventory at a chosen time. To predict or make “pro-formas” is much more complex because one must go beyond audit and quantifying and involve actions and outputs from outside sources, along with extrapolations about the conditions in national and/or international economies, markets, and finance.

Anthropological models, contrary to what one would expect, are more difficult to characterise, mainly because there are few if any clear operational procedures that incorporate the cultural and social dimensions of market exchanges. Simply put, for the anthropologist it is not just a matter of ‘what kind?’ or ‘how many?’ at ‘what price’; but, why! Myriads of non-economic elements and relationships are involved. One could say that the anthropologist is working with some rules and a lot of judgement; whilst the economist works mainly from a firm set of rules and a little judgement.

Even so, both are modellers. More than this I believe that there is no reason why their theoretical appreciation of human economic life should not come to overlap, if not even merge. As Godelier says, quoting Goodfellow,

‘The proposition that there should be more than one body of economic theory is absurd. If modern economic analyses, with its instrumental concepts, cannot cope equally with the Aborigine and with the Londoner, not only economic theory but the whole of the social sciences may be considerably discredited. For the phenomena of social science are nothing if not universal.’ (1972: 281)

At root the formalist-substantivist debate need not have happened if Mauss's *The Gift* had been properly understood. For the substantivists, anxious to carve out a school of thought for an anthropological economics, *The Gift*, with its empirical focus on the premodern and with its title evoking the spirit of altruism was a perfect resource in support of their position. More accurately, however, *The Gift* is a discourse on the interface between the economic and the social. More accurately, as well, this work should be understood as much, if not more, as providing an insight into the nature of the industrial economy, and as instructing us that a social context is vital to our consideration of the modern market.

## CHAPTER 3

### THE MARKET AND THE NOTION OF FREEDOM

#### **Introduction**

Many failures have been experienced world-wide in recent history in attempts to install 'market-based economies' in under-developed or emerging countries without regard or respect for local social practices. Yet the provision of markets in this way is commonly accompanied by ethical notions that appear to have laudable intent. One such notion is that of freedom. There are two senses of freedom here. One is the idea that the market constitutes a social ambience where the individual reigns unfettered and supreme. This sense is evident in the discussion on the market from the previous chapter. The other idea, which follows from the first, is that the market is a liberating force – a catalyst for broader freedom in the wide society. I shall look particularly at ideas from philosophy to indicate that notions of pure freedom are unrealistic where social life is concerned. We must reconcile ourselves to the fact that the market always exists in a cultural ambience, and that freedom, if feasible, will always be a relative freedom.

### **The Fallacy of the Culture-free individual**

Humans are cultural creatures. We will never explain or understand the markets by looking only at the physical properties of goods. It is in the symphony of exchanges, choices, objects, rituals, and persons who understand the meanings made visible by material things, that culture develops: 'The stream of consumable goods leaves a sediment that builds up the structure of culture like coral islands' (Douglas and Isherwood 1996: 39). We find Hegel, Marx, and Weber strongly supporting the premise that societal beliefs are inescapable as individuals form, and are formed by, their culture. Hegel's idea of an organic community was adopted by F.H. Bradley, a 19th century British anthropologist, who described it in a wonderful style:

'The child...is born...into a living world...he does not even think of his separate self; he grows with his world, his mind fills and orders itself; and when he can separate himself from that world, and knows himself apart from it, then by that time his self, the object of his self-consciousness, is penetrated, infected, characterised by the existence of others. Its content implies in every fiber relations of community. He learns...to speak, and here he appropriates the common heritage of his race, the tongue that he makes his own is his country's language, it is...the same that others speak, and it carries into his mind the ideas and sentiments of the race...He grows up in an atmosphere of example and general custom...the soul within him is saturated...it is one and the same life with the universal life...' (Bradley 1962: 171-2)

Weber, of course, spoke directly of individuals forming this crucial social ambience of life:

'But for the subjective interpretation of action in sociological work these collectives must be treated as solely the resultants and modes of organisation of the particular acts of individual persons.' (Weber 1947: 101-2)

And further to the point:

'When reference is made in a sociological context to a 'state' a 'nation' a 'corporation' a 'family' or an 'army corps' or to similar collectivities, what is meant is... only a certain kind of development of actual or possible social actions of individual persons.' (ibid.)

In this vein, Berger and Luckmann later insisted that '...individuals interacting together impose their constructions upon reality: the world is socially constructed' (1966: 42).

But, for Weber, subjective interpretation and social action always occurs in a social context, and so the relationship between the individual and culture is always dialectical. This is clearly Berger and Luckmann's position as well. Thus people learn about their world from the culture they have so constructed. An abstracted individual does not gather knowledge by learning about instances of external reality; we gain knowledge, that essential sureness that can be life guiding, from our culture, interpreted through the thought concepts enshrined in native language which comes as a gift to us from the society in which we are formed. The idea of the individual person, unobligated to his fellows, standing

alone, 'self made', is a fiction: no human being exists not 'steeped' in the culture of their time and place.

Relevant to the present study, the sense, meaning, rationality about goods, is 'the construction that is put upon reality'. The reality is there, but it is only known in the way that we have constructed meanings in it' (see Heap and Ross 1992 19, 24). Accordingly, '...the anthropological approach captures the whole meaning space in which objects once purchased are used. It takes reality for granted and believes it to be socially constructed' (Douglas and Isherwood 1996:xxii). For me this clearly obviates any idea, or the introduction of a model, that discounts the 'embeddedness' of market practices in a society's culture, and underlines the difficulty relating to individuals eliminating cultural influences from their actions, including market actions.

This fact immediately conveys to us both positive and negative things about the top echelon management in international business. The positive is that since no one can escape the influences of their own culture all their decisions have social content by default. The negative is that since they default to the values of their own culture, if they are not exposed to clear messages from markets presented in a manner to induce a conscious adjustment in this default state, their decisions may actually harm the marketing plan as well as deleteriously affect persons in the receiving culture, resulting in organized resistance

To achieve better understanding of this we must probe deeper into the nexus between Marx and Hegel. Hegel's position on social and cultural influences finds its foundation in his concepts of individual freedom and action. Hegel did not

accept that the liberal idea of 'negative freedom' was sufficient, that is, the ability to choose or do as you please without external, or negative, constraints. The notion of negative freedom is still enjoying a wide following, including from prominent scholars, one of whom, Isaiah Berlin states:

'I wish my life and decisions to depend on myself, not on external forces of whatever kind. I wish to be the instrument of my own, not of other men's, acts of will. I wish...to be moved by reasons, by cautious purposes, which are my own, not by causes which affect me, as it were, from outside.'

(Berlin 1997: 203)

One can quickly see the contradictory connotations of negative freedom in relation to ideas of community, society and culture. This position to Hegel represented the form of freedom, but not the substance, and revealed an 'utter immaturity of thought'. Speaking to Hegel's view, Peter Singer says:

'Hegel's objection to this notion of freedom is that it takes the choices of the individual as the basis from which freedom must begin - how and why these choices are made is a question that those who hold this conception do not ask. Hegel does ask it, and his answer is that [such] individual choice...is the outcome of arbitrary circumstances. Hence it is not genuinely free.'

(Singer 1983: 1)

Wow! Hegel certainly understood and appreciated the empirical effects of culture on the individual: that absorbed elements from one's culture and language limit one's thoughts thereby affecting perceptions of reality, and one's choices are based on those perceptions. But Hegel of course had an idea of a

'proper' freedom. Only the reflexive, logical or in Weber's sense rational examination by the individual, able to consciously discount the effects of society and its institutions, cultural practices, and even the underlying structure of the person's native language itself, constitutes such freedom. But this is of course a difficult if not impossible requirement; possibly an 'ideal type' of individual freedom in the Weberian sense. The following is Hegelian 'freedom', as Alan Wood puts it:

'A choice is absolutely free only when I am 'with myself' in it. This requires that it be specifically characteristic of me, integrated reflectively into my other choices, and standing in a rational relation to my desires, traits, projects, and my total situation. I am free or 'with myself' in my 'contents' or 'determinations' - my desires and my choices - when they harmonise with the practical system constituting myself - identity as an agent - with the "rational system of volitional determination" which I am.' (Wood 1990: 49)

A perspective on this is provided by Marx who, writing a relatively short time after Hegel, and having subscribed to Hegel's philosophy, searched for a complementary idea relating to an ideal social state. Marx was looking for an 'organic' society that would afford its members a 'universally rational' matrix from which they could be afforded elements of freedom and autonomy in the Hegelian sense - a self-realised, non-alienated culture offering uncoerced reflexivity, ensuring that the individuals' non-intimidated wills participate in their choices or decisions. In this context, Marx tells us that the recognition by labour of the products as its own and the judgement that the separation of labour from the

products is unjust are the beginnings of the end of capitalism (Elster 1986: 56). Given that Marx was a force of nature exhibiting genius in his own right, understanding Hegel can be instrumental in helping one grasp Marx's perceptions and acquiring insights into his intentions. From Marx we get a rather different sense of freedom than Hegel's. Peter Singer gives us a clear statement of this:

'It should by now be clear that Hegel is not talking about freedom in the political sense in which popular sovereignty is an essential element of a free society. He is interested in freedom in a deeper, more metaphysical sense. Hegel's concern is with freedom in the sense in which we are free when we are able to choose without being coerced either by human beings or by our natural desires, or by social circumstances....Hegel believes such freedom can exist only when we choose rationally, and we choose rationally only when we choose in accordance with universal principles. If these choices are to bring us the satisfaction which is our due, the universal principles must be embodied in an organic community organised along rational lines. In such a community individual interest and the interest of the whole are in harmony. In choosing to do my duty I choose freely because I choose rationally, and I achieve my own fulfilment in serving the objective form of the universal, namely the state. Moreover - ...because the universal law is embodied in the concrete institutions of the state, it ceases to be abstract and empty.' (Singer 1983: 39)

It is in Hegel's sense of 'proper' freedom that we judge its presence in market behaviour to be unrealistic.

### **The Market as liberating force**

The idea of the market as an institution which can be 'installed', thus ushering in a social ambience of freedom, is commonly vouchsafed by development agencies and national governments in justifications of artificial interventions in the affairs of developing countries. On the matter of freedom, I believe this idea contradicts the fact that freedom is something based on judgements internal to the 'receiving' society. Sen, speaking to the difficulty encountered when attempting to balance internal or external interests and preferences in societies, states this well:

'Central to the challenges we face in the contemporary world is our idea of an acceptable society...Indeed, the freedom to participate in critical evaluation and in the process of value formation is among the most crucial freedoms of social existence. The choice of social values cannot be settled merely by the pronouncements of those in authority who control the levers of Government.' (Sen 1999: 285)

The context for this discussion is the idea that as the industrial age emerged and expanded ever further in its quest for additional physical and material resources, the colonial powers negotiated with local rulers or governments to install market conditions that were destined to fail de novo. This was as a result of them having been designed precisely for the benefit of the colonial powers and

local rulers, and without regard for the culture or individuals in the society at large. They excessively rewarded those persons in power who co-operated, and allowed them unrestrained rights to develop within the society any business activities or operating practices that they desired. These circumstances of unfreedom were established at times through force of arms, but in the main individuals in societies complied. This was because the international markets were precisely presented as separate and apart from the individuals who give them life; modern market systems were presented as 'installable', like a set of dentures or other prosthesis that delivers benefits immediately. At best the provision of markets could be justified through cost-benefit considerations:

'.....Government policies...intended to implement the market...have significant social costs, which are justified as being much less than the social and economic benefits the policies are supposed to bring when they are fully implemented and the benefits of the market begin to accrue.'

(Carrier 1997: 24)

As Hecló & Wildavsky put it, more generally:

'The task is to design institutions and processes to increase the probability that policy decisions, particularly those with large spending implications, get looked at in a variety of ways. What ways? Ways concerned with tax burdens, economic management, social objectives, political prudence - in short the variety of perspectives that are all legitimate in a democracy.'

(Hecló and Wildavsky 1982: xlii)

While pursuing this project I found market participants exhibiting a broad understanding that 'the market' is not installable in the manner described above, and indeed is, and must be, subject to the vagaries of culture, rituals and practices in specific societies. This necessity was clearly illustrated by circumstances with which I became involved in Abaco, a large but undeveloped island in The Bahamas, which had only one road that was partially paved, a number of farms and small subsistence fishing communities. I became acquainted with local residents who came to know my business background and interests; their representative to the national parliament approached me and requested that I buy land and build a rather large, modern, marketing and shopping centre, in order to 'bring modern stores, theatres and other conveniences' to the island. After feasibility studies and several meetings I declined, due to uncertainty as to whether the local population would be willing to support such a change in their normal trading practices. Those practices revolved around very small general stores that carried items and supplies uniquely used or wanted in each community; these stores were usually owned and operated by the same persons and had little or no overhead expenses, allowing them to maintain low prices and carry credit accounts until crops or fish were harvested. Those in favour of the centre were in the end successful in convincing others to fund and build the facility. It failed in a short time after the grand opening from a complete lack of activity and trade; eventually it fell derelict and then bankrupted. The island's population simply rejected the changes that it implied in their way of life.

Very recently, the populations of two large South American countries, Argentina and Brazil, reacted to perceived Government over-commitment to changes driven by external market forces and pressures. Argentina's citizens began violent demonstrations, resulting in a number of persons being killed and the eventual overthrow of the National Government. This was followed a few months later by Brazil's shift in national elections to a declared far left neo-socialist president. The widely stated reasons in both countries were to control or stop 'market excesses' seen to be directing the national economy and producing unwanted cultural effects.

Sen states:

'The perspective of human capability focuses...on the ability – the substantive freedom - of people to lead the lives they have reason to value and to enhance the real choices they have.' (Sen 1999: 293).

But he insists:

'...an approach to justice and development that concentrates on substantive freedoms inescapably focuses on the agency and judgement of individuals; they cannot be seen merely as patients to whom benefits will be dispensed by the process of development.' (Sen 1999: 288)

This must apply to our evaluation of the market as a transforming social force. Regardless of the machinations and desires of special interests or ruling powers, the society's culture will prevail and either adjusts or rejects unwanted changes.

## CHAPTER 4

### THE LANGUAGE AND THE IMAGE OF THE MARKET

#### **Introduction**

There are markets in probably the majority of human societies. This is in the sense of culturally created institutions, real, capable of being visited, participated in or observed, and 'embedded' solidly in the social elements of their communities. Miraculously these wonderful constructs have evolved apace with their underlying communities, specifically, because of their unbreakable connections with a social context. This is described in some detail by Hayek who sees the market as a spontaneous order, and speaks of its growth and evolution. He uses phrases like 'spontaneous change', 'undesigned change', 'freely grown institutions' and 'the growth of the undesigned' (Hayek 1999 [1960]). In Hayek's view the market is a process, like biological evolution, rather than an intricate machine. Adam Smith saw the division of labour as the main mechanism by which the market increases human prosperity; Hayek emphasizes the division of knowledge. As Heap and Ross say:

'Knowledge exists only as the knowledge of individuals. It is not much better than a metaphor to speak of the knowledge of society as a whole. The sum of the knowledge of all the individuals exists nowhere as an integrated whole. The great problem is how we can all profit from this

knowledge, which exists only dispersed as the separate, partial, and sometimes conflicting beliefs of all men. The market provides the solution to this great problem.' (Heap & Ross 1992: 172-3)

At present how markets function, along with the nexus between individuals in societies and market related activities, is under-investigated (Dilley 1992:1). There are in this symbiotic relationship seemingly complex elements. First, individuals carrying out activities relating to the gathering of things necessary to produce a living, satisfy wants and interests, maintain social standings and communicate with others create markets (Douglas and Isherwood 1996). Second, at the same time the varied possibilities in markets, or lack of possibilities, control the ability of individuals to successfully satisfy these motivations, leaving them in a position of being subject to the vagaries of markets: 'the individual is the constitutive agent of the market, but at the same time he or she is also subject to it' (Dilley *ibid.*: p.15).

In this chapter we will explore some of the images associated with the market, especially the idea that the market entails power and agency, and consider some of the linguistic problems that attach to the types, procedures, and structures of markets. The market phenomenon may arise from simple basic human propensities, such that Adam Smith can call it an objectified human nature. I would however assign a deal more complexity to the motivations of numberless persons involved in producing a living for themselves and others through the market.

My sensitivity to the importance of language, and the mutual understanding of terms which are necessary to communicate, was developed through personal experience in very volatile markets, where much business in large volumes is done verbally and on trust: a misunderstanding or failure to communicate can occasion very large losses in a very short time. This, coupled with the early training I experienced in the study of law, gave me a tendency to seek a clear and precise understanding of presentations whether spoken or written. In the mid-twentieth century, writings in economic anthropology arguably lacked explicitness, leading to a lack of clarity as to the authors' intents. Thus it was some time before I realised the complexity of the multi-layered, multi-faceted entities for which social scientists and economists were attempting clear guidelines and definitions. In reference to modern markets the term 'multi-layered' references the institutions and political or governmental structures implicated in human economic life; 'multi-faceted' references the atomistic social nature of markets in both premodern and modern industrial capitalist societies and the multitude of individual perspectives this allows. Yet I believe an amazing amount of conceptual progress has been accomplished, especially in the recent past. This is not surprising in light of the concomitant explosion in transportation, data processing, communication, electronics, computer and other technologies, phenomena, as addressed by Michio Kaku, in *Visions*:

'In the past decade, more scientific knowledge has been created than in all of human history. Computer power is doubling every eighteen months.

The Internet is doubling every year. The number of DNA sequences we can analyse is doubling every two years.' (Kaku 1998)

In a previous chapter we specifically examined the social context of markets as institutions. The question is then begged, what concepts lay behind terms such as market, markets, the market, and activities in and attendant to trade or exchange through these institutions? A definite point of departure here is Herskovits view that the same general human motivations drive social action among people in both premodern and modern society (Herskovits 1952: 487-88). But 'market' and 'economic' represent two prime examples of the linguistic difficulties arising from use of the same terms to support differing or unrelated concepts.

### **A note on 'Economic' and 'Market'**

We speak of economics, economic activities, economic motivations, even economic groups, and manage to communicate with each other, without clearly defining the concepts or thoughts behind these phrases. But, for anthropologists, there is risk here, arising from importing not fully understood terms from economics, of confusing the process of research practice. Robbins Burling addresses this problem in depth:

'nevertheless, 'economics' has had almost as many meanings to anthropologists as has 'function' and the confusion between its various meanings has led to as much misunderstanding. At one time or another, anthropologists have given at least five meanings to the term: 1) The study

of material means to man's existence; 2) The study of the production, distribution, and consumption of goods and services; 3) The study of the things that economists study; 4) The study of systems of exchange however they are organised; and 5) The study of the allocation of scarce means to alternative ends. None of these definitions covers exactly the same area of behaviour as any other.' (Burling 1968: 168)

These are indeed somewhat confusing and overlapping terms that we can clarify by clearly understanding and defining what we mean to convey through discipline-related terms - e.g. 'economy' a noun relating to the production, circulation, and consumption of goods and services; 'economics' a plural noun naming a type or branch of knowledge concerned with the production, consumption, or transfer of wealth; 'economic' an adjective descriptive denoting efficiency in the use of resources. We find a given term many times used in error when what is intended is to name an activity, and one of the other terms is more appropriate. I would point out the result of interchanges of this type as being to bring almost every act or function in a society under the rubric of 'economic' or market-related activity.

The term market itself represents another much misused general term having 'become a "pocket" whose contents are defined in relation to the uses to which it is put' (Dilley 1992: 3). There are significant differences between the concepts behind the terms 'market', 'markets', and 'the market'. In its common uses the word market can connote a place or location, an activity or function, and a general idea or concept. It can represent the very simplest kind of gathering or

location, such as a local farmer bringing his produce or stock to the roadside, or the small village centre to exchange and sell. Equally at the level of a village, it can imply sites in different areas of the same community, where are exchanged diverse products or objects, such as vegetables and fruit, plants and flowers, livestock, objets d' art, etc. At a higher societal level, market relates to trading with another someplace else wherein there are exchanges from person to person, village to village, or town to town, and finally nation to nation. We find the well-documented evolution of these practices in the Greco-Roman period, as shipping capabilities, security, finance, and communication improved across the Mediterranean world. During that period the local market was active whilst markets were being explored and established between communities and nations; shipping had become dependable enough to allow transport of most products including perishables.

### **Essentialism**

When we visualize the market as a naturally occurring, objective phenomenon we fall into essentialism. This includes interpreting such an essentialised entity, in occidentalised terms (Carrier 1992), through Western concepts of market structure and conduct. Essentialists are firmly convinced that things or systems have objective underlying characteristics; for them essence predates 'existence' in Heidegger's sense and drives the objectification or 'coming to be' of those entities. Carrier (1997: 18) says:

'One of the reasons the model has the force and appeal that it does is that it roots the market in what is construed as fundamental human nature. The market is presented as embodying essential humanity and the ethics that spring from it. It is, in effect, what people would do spontaneously among themselves if left alone, if their propensity to truck, barter and exchange were not constrained.' (Carrier 1997: 18)

In Martin Heidegger's lectures on Kant, he (with Kant) addresses how we perceive things and how those things are objectified. These underlying principles of Western thought may help us understand how we invested 'the market' with objective properties it may not have earned; after all, that entity we have named "the market" consists generally of the activities of people going about the business of living day to day: Heidegger considers

'...how Kant circumscribes the essence of the thing and in what way he holds it to be determinable at all. 'Thing' - this is the object of our experience. Since the inclusive concept of the possibly experientiable is nature, the thing must actually be conceived in truth as a natural thing...however only the appearing natural thing is determinable in truth and knowable as a thing. Kant's answer to the question about the essence of the thing which is accessible to us: (No 1) The thing is a natural thing. (No 2) The thing is the object of possible experience.' (Heidegger 1967: 128)

Following some of the foundational thinkers, both ancient and modern – for example, Plato, Aquinas, Kant, Hegel, Bentham, Mill - the Western world adopted causal and natural principles, pragmatism, and, to a degree, demanded

objectivity. This extended to markets when 'the market' as an objectified concept was defined, and therefore becomes relevant to this project. Once the market as objective entity (rather than, for example, just a place to gather for the purpose of exchange) came to be named it was important to declare this entity as natural, and to begin to define its cause, effect, and search for its essential properties. Thus Dilley, quoting Jamison, notes, 'The market has become a substitute for itself, and fully as much a commodity as any of the items it includes within itself' (Dilley 1992: 19). As Dilley intimates this is an illusion. The key point is that people can exist without markets, but the reverse is not possible. We should remember that the purpose of markets is to facilitate convenient exchanges between persons; they are by design reactive, not active constructs, for markets are, in the end, no more than constructs reflecting the actions of individual persons who are both users and designers. 'The agency of the individual constitutes the market.' (Dilley *ibid*: 17) We give the market an unearned position as a natural, active entity by investing the concept with an identity to which people were and are directed, not only for want satisfaction, but for wealth and happiness as well. As Hindess says:

'For all the striking difference between them, Marxism and Liberalism both tend to analyse the market in terms of an essence or inner principle that produces necessary effects simply by virtue of its presence.' (Hindess 1986: 8)

The market, as an objective entity, turns out, then, to be an idea, a chimera, and as such it does not meet the requirements of Kant, Heidegger, and others properly to qualify as an object, or to be seen as a 'thing'.

And yet the market has become not only an active idea, but is almost universally perceived in the Western 'developed' world as an 'economic good', or healing mechanism, especially for populated areas perceived to be backward or underdeveloped. Seeing the market as an objectified and natural thing directly relates to the possibility of there being social influences that drive, direct, and indeed form markets. If the market has existence on its own, standing naturally as part of the furniture of the world, cultural and/or social elements are not necessary for it to come to be, or exist. The widely perceived idea labeled the market has become a reassuring presence in the lives of very large numbers of persons worldwide, having somewhat the effect of religious or magical beliefs, conveying feelings of comfort and security. Connecting with humans at these emotional levels can go far to explain the rapid acceptance, expansion, and perceived success of the market concept. There is, along with the emotional and political feelings of security, high confidence in the ability of the markets to sell or exchange your goods and furnish you a supply of the things you desire for your livelihood, your comfort, and the raw materials to produce the goods you bring to market. Indeed the market affords, as a result of feelings of security, the ability to acquire means, such as money, contracts, financing, to make a beginning in or increase one's production. In addition, the perceived ability to receive fair exchange or prices in a free and open market, and be paid therefrom for services

rendered has made possible transport, insurance, dependable brokers and middlemen - all regulated by boards of trade (which also monitor flows of products and pricing in markets) whose mission is to preserve the benefits of and ensure fairness in market-related activities. Last, but not least, as markets expand across the globe they produce an ever-widening circle of participants and trading possibilities, feeding the symbiotic relationship between production, demand, and consumption.

Why then do we encounter so much difficulty in defining, describing, illustrating, finding the essence of, or clearly setting out the practices, procedures and universal benefits of, the market? The answer is elementary: the market simply 'does not exist' as part of the furniture of the world, 'disembedded', independent, and natural! It was imagined into being and we are chasing a chimera created by us. Pogo the opossum of cartoon fame was fond of using an appropriate quote: 'We have met the enemy and he is us.' Peter Preston focuses on the market as idea and its broad acceptance without proper research or question. 'Within the sphere of the social sciences in the UK there seems to be a disposition to take the notion of the market entirely for granted' (1992: 69). He also says, in tune with my argument in this chapter: 'With the notion of the market we find that a set of ideas are woven together in order to fashion a totalising discourse of some considerable power...the burden of my argument [is] that when the notion is examined, and made subject to the usual criteria of intellectual adequacy current within received European intellectual traditions, it will be found to be meaningless' (ibid.:61). 'In sum: the notion of the market when examined,

as it has been within the critical literature of economics, turns out to comprise a tissue of interrelated definitions which severally and in total collapse under scrutiny' (ibid: 65).

I spoke earlier of finding in places during research a degree of fear relative to strange, unknown, or little understood practices and procedures being introduced into a society. The market is one such practice, but, this should not be construed as blanket resistance 'by definition', a view which represents the current Western stereotype of non-Western reticence. Some of the seeming resistance is in reality an attempt on the recipients' part to control or personalise the market; the resistance sometimes represents a refusal to accept the conditions that the market implies, underlining the fact that societies respond differently and do exercise control of changes when these are not in keeping with their social mores (Geschiere 1992: 162, 175). And then there is the whole matter of regulations, restrictions and requirements inherent in a 'virtual' market world - that is, a world based in and implemented on an econometric model, including the use of statistical and mathematical methods to verify and develop economic theories. Such statistician's products, merged with the Western market model paradigm, have become a standard, compliance with which is expected and demanded if one is to receive acceptance or assistance in today's international trading world. In developing countries this movement is generally successfully resisted, modified, or complied with in a token manner if necessary in order to maintain desired or essential relationships, such as with governments, banks, suppliers, or regulators.

In sum, Carrier makes the case that the Western contemporary idea of 'economy' is controlled by 'economic thought' as opposed to 'economic action': 'it is in economic thought that the move to greater abstraction and virtualism is especially apparent' (1998: 5). Carrier points out how successful the 'Western economic model' has been in marketing itself as a commodity. Indeed Carrier says this marketing success has 'reversed the field'. Instead of using models to measure and track success in the real world of socially integrated markets, we are now consciously measuring the real world against how it conforms to the essential elements of the models, and thereby constructing a 'virtual' (but believed) economic reality:

'Here the world is seen in terms of the concepts of models of economic abstraction, which are taken to be the fundamental reality that underlies and shapes the world. Those who adopt this view of the world can be said to perceive a virtual reality, seemingly real but dependent upon the conceptual apparatus and outlook that generate it. Perceiving a virtual reality becomes virtualism when people take this virtual reality to be not just a parsimonious description of what is really happening, but prescriptive of what the world ought to be.' (Carrier 1998: 2)

## **Conclusion**

Carrier notes 'the fate of a name'. In the early 20th century something called 'institutional economics', associated with writers like Thorstein Veblen (1927) and John Commons (1934), presented economy as an aspect of the institutions of

social and political life, and as inseparable from them. Then, in the closing decades of the century a variety of thought called 'new institutional economics' was proposed, associated particularly with Oliver Williamson (1975): here, the institutions of life, social and political as well as economic, were explained in terms of the rational calculation of the cost of transactions within and between them. In short, where 'institutional economics' had construed the economy as a creature of its institutional framework, for new institutional economics the direction of influence is reversed: the institutional framework is seen as a creature of the economy, populated by autonomous rational calculators (Chapman and Buckley 1997; Hodgson 1988: 154-156).

We have for over a century attempted to understand social systems as wholes, and to contrast the modelled wholes of the premodern world with the modelled wholes of the modern. We have attempted to draw from this the essential nature of the modern world and discover how it came to be. As the idea of the modern market spread and gained currency an illusion of difference emerged between 'them' (the primitive, savage, as described in prose, poetry, and early anthropology), and in contrast 'us' (Western, sophisticated, 'civilised'). Illustrations and writings in text books, advertising, fiction and marketing literature amplified this illusion so that we in the West became actually defined by the difference between 'us' and 'them' (Carrier (1992). It naturally followed that it was necessary to find and illustrate that 'essential' difference, so, we imagined 'them' as in a different world from ours, evoking where possible their exotic lives. (See Frazer 1981). The misdirection became endemic, and fatal to our ability to see

societies (and markets) as socially constructed, then and now. As Geschiere notes:

'In my first field work one of the most shocking experiences - an unexpected kind of 'culture shock' - was the confrontation with market-like behaviour in what to me were intimate spheres of life. Precisely because I was shocked, I came to realise to what extent my own Western notions of the market were culturally circumscribed' (Geschiere 1992: 159-60).

The oppositional ideas of primitive and modern, and civilised and savage, spread to textbooks, children's publications, and in my own experience to the Sunday School where Christians used images of 'Godless' savages to illustrate the great and shocking difference between 'civilised' Western cultures and the peoples who populate most of the rest of the world. The market as concept uniquely came to symbolise and represent this phenomenon. It was seen as uniquely Western - a shining light signifying Western superiority, intelligence and in some circles the power of the Western concept of God. Other issues represent mere sidebars in comparison to this monolithic move away from our repressed fear of identifying with 'savage' ways. Yet, as Adam Kuper notes, speaking about anthropologists' preoccupations in both the nineteenth and twentieth centuries with primitive societies in opposition to the West: '...but in practice primitive society proved to be their own society (as they understood it) seen in a distorting mirror' (Kuper 1988: 5).

## CHAPTER 5

### TOWARDS AN UNDERSTANDING OF POST-CAPITALISM

#### **Introduction**

Mauss, with an eye to industrial-capitalist society, notes 'a permanent form of contractual morality, such that how the law relating to things even today remains linked to the law relating to persons' (Mauss 1990: 4). He insists that this morality and organisation still function in our own societies, in unchanging fashion and, so to speak, hidden below the surface....'we believe that in this we have found one of the human foundations on which our societies are built...'  
(ibid)

Mauss's observations, explicating the premises of his seminal book, *The Gift*, convey a timeless message relative to motivations surrounding acts of exchange. The question, however, remains as to the nature of the relationship linking producer to consumer in this context. For Mauss, producer 'morality' was fundamentally grounded in a sense of citizenship and the responsibility that flows from this. In the next two chapters, which include fieldwork interviews and case studies, I shall indicate that industrial capitalism, as the twenty-first century begins, now functions in the context of a rather different type of social

relationship. This relationship is strongly reminiscent of the family household economies described by Sahlins under the heading of the 'domestic mode of production' (Sahlins 1974), where the organisation of production is fully embedded within the organisation of consumption. But whilst the domestic mode of production refers to a state of affairs where production and consumption social units are basically the same (i.e. the family itself constitutes both domains), this is obviously not the case in contemporary industrial-capitalism. Even so, what we see emerging is a state of affairs where (industrial) production units are to very large extent intimate with the social and cultural dimensions of (family) consumption units. I shall indicate that one can speak, in this regard, of a 'new embeddedness' - of production within consumption. The cultural context of markets, stressed in previous chapters, thus takes on a distinctive hue: production units are intimate with consumption units these days in the way they admit themselves, almost directly, into consumer unit affairs. I speculate that we see, in this, the emergence of new principles in the organisation of the industrial economy - principles that might be labelled post-capitalism.

In the present chapter I spell out the nature of post-capitalism, in contrast with various phases of capitalism, and go on to discuss some of the theoretical precursors relevant to the existence of post-capitalism. I indicate where many of the assumptions of micro-economic theory increasingly do not hold in the present business and international financial community - for example, assumptions concerning the mechanics of price, the universality of utilitarian motives, and the domination of scarcity. I also outline the theoretical significance of meanings

relating to consumption. The next chapter focuses directly on domains where, in post-capitalism, producer-consumer intimacy is empirically most clearly evident. Here I shall provide fieldwork descriptions relating to matters of marketing and advertising. I should note that, because my data was gathered solely through interviews, it is conceivable that my respondents have offered me a somewhat idealised picture of their activities and concerns. On the other hand, as someone who has participated in the business world I am in a position, from personal experience, to verify much of what was imparted to me.

### **Capitalism, Late Capitalism and Post-Capitalism**

Normal (or classical, or 'middle') capitalism is a capitalistic system where forces of production and decisions relating to production are considered to be prime movers in economic life. In this system producers and consumers are deemed to be largely invisible to one another and relate through cues relating to price as expressed in monetary value, and scarcity, and indirect means such as advertising. In the middle years of the twentieth century models of 'normal capitalism' informed the basis of neo-liberal economic models which presented ordinary markets as abstract (when they were in reality embedded), such as has been discussed already in this thesis. These models indeed continue to influence world events, particularly relating to matters of development, at times with 'disastrous' consequences. Thus Daniel Miller discusses the effects of structural-adjustment policies being promoted by the IMF to debtor countries based on neo-classical models generated by academic economists:

'...the task was to transform the societies in question, irrespective of their actual diversity, into something approximating to the model prescribed.....the premises behind academic economics are at least as far removed from the actual practices of any given social group as were any of the idealized formulations of academic Marxism.' (Miller 1997: 36-7)

In contrast there is late (or high) capitalism. Generally reckoned to have emerged around the late 1970s, this marked an era where consumption forces assumed overriding importance in capitalistic processes. According to models of late capitalism a cultural liberation of the individual has occurred: consumers, their freedom enhanced, dominate the markets with their individual choices, and businesses become keen to keep up with ever changing cultural tastes (Miller 1997: 2-3, 59). However as in the earlier 'normal' era producers and consumers are basically still invisible to each other.

The thesis of this research, that we are now in a period of post-capitalism, hinges on the grand openness that today exists in markets due to sophisticated marketing techniques, computing-software and hardware, the internet, and fast and dependable transportation. This effectively brings consumers and producers face-to-face (cf Dilley 2004). Consumers are no longer invisible to producers or producers to consumers: thanks to consumer protection organizations, publications and media, internet, advertising, and a culture of openness, teamwork and inclusion, along with specialist companies reporting to both groups, producers and consumers are, to the contrary highly visible to the other. We may speak of this as 'post-capitalism' because the relative visibility of

producer and consumer obviates, or bypasses, the crucial function of money-price and scarcity in the way producers and consumers can know one another.

### **Price and Scarcity**

Price based on universal means, such as money, currency, or legal tender is, in neo-liberal economics, deemed to be ubiquitous in market transactions as a mode of communication between producer and consumer. However, a profit-related system can articulate without the presence of money. Thus there presently exists in all market areas this writer visited a large and fast-growing barter system. I observed barter first hand in every one of those places, that is to say persons exchanging among themselves units of labour to balance values. In this way fishermen would exchange labour from boat to boat and mutually assist one another in repairing nets and other rigging; carpenters and plumbers would engage in mutually beneficial exchanges of skills. One person may extend 20 hours of labour helping cut and bale hay in exchange for 10 hours from the recipient to be used in repairing a tractor, adjusting the higher value of the mechanic's skills through the disparity in hours. In larger agreements, especially between regions, states, or countries, and between very large trading companies, much value or price is arrived at through 'trade equivalents' - a given amount of one product over a given time, in exchange for a given amount of another product within a set time period. The product types do not need to coincide as value is set within the agreement. Often values are represented by a

basket of different products from both sides involving several different time periods: these types of arrangements were described by four of my respondents.

Thus the idea that all Western trade is priced in money, as posited by Polanyi, does not comport with all circumstances that I found in both local and international markets. Polanyi speaks of:

'...the process of meeting requirements into an allocation of insufficient means with alternative uses, namely, money...by concentrating on price as the economic fact par excellence, the formal method of approach offers a total description of the economy as determined by choices induced by an insufficiency of means.' (Polanyi 1957: 125)

One also notes that utilitarian considerations are clearly not controlling of price where many market items are concerned. Many other factors, social as well as economic and national, enter the equation, i.e. trade balances, foreign exchange requirements, the necessity to sustain the poor and indigent - all these were described to me by businesspersons as well as by government and financial personnel.

The modelling of capitalism takes circumstances of scarcity as a central assumption: through notions of scarcity producers and consumers, invisible to one another, may be deemed to 'speak the same language' in relation to the same objectives – the desire to maximise satisfaction given insufficient means. Yet already in the 1950s the industrial-capitalist world experienced an unprecedented leap in personal incomes which was coupled with new technologies and production procedures such that productivity rose faster than

incomes and manufacturing outstripped consumption. This had the effect of turning the old rationality of supervening scarcity on its head. The new condition, which reflected a de facto abundance, was not generally factored into the economic and social sciences until the advent of computers large enough and widely distributed to capture the phenomenon. Countering theories based on scarcity, we can all remember farmers wasting products in the streets and burying slain animals in landfills to both eliminate the excess numbers or quantities and 'hold up the market price' (see Financial Times, December 16-17 2000). Galbraith, as mentioned earlier in this thesis, expanded on this phenomenon: '.... whilst scarcity, ordinarily understood, may indeed have been a problem in the past it certainly is not now' (Galbraith 1958: 62). We must all question, then, in light of these facts having been known for some time, why shortage of necessities like food, clothing, health products and medicines continues. Again, as noted earlier: 'the problem...is not underproduction. It is rather newly contrived patterns of wrong production maldistributed' (George 1984). Throughout the post World War 2 period places to store or keep excesses of dairy products, grains, sugar, and almost all other farm and manufactured products have been of major concern to governments and businesses - a problem only exacerbated by automation, robots and computers. In interviews and responses to mailings conducted for this research, observations that surplus prevails were made, and that equitable distribution along with governmental obstructionism is the major problem. Recently the European Union passed major changes in its C.A.P. (Common Agricultural

Policy) primarily because of overproduction; almost all types of foodstuffs are in massive oversupply worldwide. One notes in this regard that both sides of the formalist/substantivist debate theorise the industrial capitalist economy in terms of a continuing, prevailing, condition of scarcity being present by definition.

### **The Consumer as King**

Early in the transition from manpower to mechanisation attempts to paint an emerging industrial or capitalist world as cold, unfeeling, and unfair, resulted in observations and theories that led to the 'artificial abstraction' of the market, which greatly increased the existing difficulty of 'making sense' of our lives, and at the same time delivered the false impression that the 'neo-Classical-Western' economic world in its market functions did not contain essential social elements. Sense, or a feeling that something really is the case, is an emotional condition important both to individuals and their communities, and is a difficult state at best to maintain. Possibly even more complex and demanding is the attempt to 'make sense of', which relates more directly to the endeavour to find meaning or coherence in our lives, actions, and institutions.

This section reviews theoretical arguments in economic anthropology about the role of consumption in providing such sense. The notion considered is that capitalism is founded on consumption imperative, reflecting the fact that... 'consumption is the last act of production not a separate activity in the interactive environment in which we live' (Miller 1998:4-5, 304-24). This discussion is important because if post-capitalism speaks of a special intimacy empirically

obtaining between producer and consumer, then matters of consumption, and the culture of consumers, would seem to be the main transformative mechanism in the emergence of post-capitalism from capitalism.

For me Douglas and Isherwood are the lead figures here with regard to the understanding of capitalism. Their key theoretical pronouncement is that:

'But consumption goods are most definitely not mere messages; they constitute the very system itself... The meaning is in the relations between all the goods, just as music is in the relations marked out by the sounds and not in any one note.' (1996: 49)

Douglas and Isherwood precisely say:

'Goods are for making sense. Goods are for rational beings to make sense of their universe. Consuming is finding consistent meanings.' (1996:22-23)

Their proposal is that we use goods and services acquired through the markets in a variety of ways as markers through whose visible uses and purposes we declare and communicate meanings. These meanings, often conveyed in ritual context, above all express social status. Examples of the above elements are found in the preparations and activities involved in observing Christmas and similar special days or seasonal observances across the world; with all these we try to 'construct a rational universe', or, simply put, to 'make sense' of both our internal and external world.

Consumption, then, is crucial to people's experience of their worlds. D Miller, discussing the elements of alienation and abstraction inherent in capitalism,

according to Marx, points to the negation of alienation and abstraction by acts of consumption and appropriation:

‘Consumption as negation is not, of course, accomplished through the mere accumulation of material forms. Rather, it requires the long term process by which consumers appropriate goods and services...I have always believed that consumption is primarily a social achievement, not an individual one; that it is a cultural process that is hardly ever about individuals or subjectivities.’ (Miller 1998:2)

Douglas and Isherwood offer the pithy insight, that ‘...goods are neutral, their uses are social; they can be used as fences or bridges’ (1996:p.37). This rings true in all ages, from the presenting of a ceremonial sword, a grand horse, or even a few hundred square kilometres of prime countryside in earlier times, to the numberless uses goods are put to today - as engagement symbols, wedding gifts, or just ‘I love you’ gifts to someone dear, such as at graduations, anniversaries, etc.. And of course we still have the grand gifts to cement relationships between societies and states, all intended to induce positive social feelings or demonstrate caring and remembrances on special occasions.

In their work Douglas and Isherwood, respectively anthropologist and economist, are attempting to bridge (define and explain) differences of perception and method in the analyses of economic activity in human society. As their theme develops from both disciplinary perspectives, it becomes both interesting and revealing: goods are seen as a medium of want satisfaction. One such want,

is clear communication with others in society. We live in a 'world of goods', but how we use those goods is a matter of individual choice. These writers tell us:

'We start with the general idea that goods are coded for communication. They have other practical uses, but the one we need to investigate is how they allow one consumer to engage with others in a series of exchanges.'

(1996: xxi)

Goods are thus shown to bear 'social messages' not only to their possessors but to others, bringing this economic activity into compliance with Weber's definition of when acts are social: 'The economic activity of an individual is only social if, and then only in so far as it takes account of the behaviour of someone else' (Weber 1947: 113). Douglas and Isherwood's account of actions of people in the markets - why people want goods, how they use them to communicate with others who are affected by those communications - qualifies these actions as 'social actions' in Weber's sense.

Douglas and Isherwood deal at some length with the concept of choice as underlying conduct to be considered as social:

'... consumption is not compelled; the consumer's choice is his free choice...what happens to material objects once they have left the retail outlet and reached the hands of the final purchasers is part of the consumption process.' (1996: 36)

Obviously at the point a person has acquired and is in possession of an object, it is theirs to do with as they will. This freedom in possession is important to the social dimension of life because only under these circumstances can the object

be invested with the possessor's personal identity - Jane's ring, Peter's coat, John's knife, the Jones's house.

I am sure this is equally true in both premodern and modern economies. An illustration might refer to the day-to-day actions and choices of a housewife and husband, showing how they use the market for many social purposes. She returns home from shopping, and upon arrival allocates her acquisitions to usages for family, entertainment for friends (which includes choosing times and regularity of visits, and what areas of the family property will be made available to them). The husband decides how resources he generates, wages, etc., are allocated between family, wife, personal use and friends. I see these choices between wife, husband, family and friends as amounting to a continuing gift economy, as described by Mauss, in microcosm.

Choice made in relation to material possessions that 'all agree carry social meanings' moves us some distance toward the possibility of embedded modern markets. A key question relating to the emerging post-capitalism is therefore whether the messages contained in those actions (or failures to act) are making themselves known in the decision making circles that determine product and marketing mixes and designs? Empirical information, included in the next chapter, provides the answer.

## **Conclusion**

Sakakibara, writing on the fundamental issues of peaceful co-existence of different ideologies relative to distributions of material welfare, says of the present global situation:

'...what we seem to be witnessing today is the end not of history, but progressivism, the belief that there is only one ideal end, the unique path to which human beings can aspire.' (1995: 43)

But there are in fact many ways to trade and exchange, and live.

We are experiencing at present an international resistance towards the notion of market principles, which one international executive described to me as 'cast as being against globalisation but really seeking to recast the exaggerated idea of the market, and reconfiguring it as just a mechanism for orderly exchanges, structured differently but still performing the same essential task.' The institution we have named the market indeed only represents the will of its constituent society. Examining the essentialisation of markets and changes to their underlying social relations, Dilley observes: '...the possibility of erasing our own inscriptions must be entertained if we are to attend to the ways other cultures inscribe the field of exchange' (1992: 3). Having been exposed personally during my travels to a number of approaches by persons expounding on their ideas about what the market does or should represent, I am reminded of the fable about the three blind men none of whom had ever seen an elephant attempting to describe it by feeling certain parts.

To grasp the changing meaning of the market at the turn of the millennium the work of Douglas remains telling. She includes a clear warning against the dangers of being distracted

‘...by focusing on the goods instead of on the meanings that the goods are being used to express, we are really focusing on the surface. There is a procedure - the structural analysis of goods - which would map a subterranean field of choice, deliberately ruling out the distraction of the physical uses of goods.’ (Douglas 1992:51)

This subterranean field of social uses and choices, along with the transmission of those social elements through the very efficient communication functions of the market to the high echelons of the business world, is exactly what we are attempting to reveal in this thesis. First, we demonstrate that social elements underlie all trade or exchanges in modern markets and discover whether or not those elements are considered in decisions of producers. One must be able to choose rationally in an intelligible world, and producers to be successful should realise that:

‘We ought to think of the consumer as choosing according to his preferences, between certain objectives. The commodities which he purchases are for the most part means to the attainment of objectives, not objectives themselves’ (Hicks 1965: 48).

Second, the emergence of post-capitalism, as defined in this chapter, is described precisely by showing how, thanks to ‘very efficient communications functions’, such social elements are today an intrinsic part of production itself.

Present-day advertising and marketing techniques reflect the way that producers penetrate the consumer world such that producers' knowledge about consumers comes from being embedded in that world.

## CHAPTER 6

# PRODUCERS AND CONSUMERS IN THE POST-CAPITALIST WORLD

### **Introduction**

The purpose of this chapter is to elucidate how at the turn of the millennium the local social context bears on decision-making regarding the management of international businesses. My remarks and observations are cast in that light. In interviews, conversations, mailings and questionnaires I stayed clear of local political or personal disputes and frictions. I shall report firstly on my findings on the type of relationship currently obtaining between producer and consumer, such that we can say that these days – in an emerging post-capitalist era – the two sides are to a very great degree able to participate in one another's worlds. Secondly I shall examine findings relating to marketing and advertising, two dimensions of business where producer and consumer come most closely into contact. Here we note that the mutual intimacy of producer and consumer is very much facilitated through the availability of sophisticated communications tools and methodologies.

## **The Social and Cultural Context**

Received academic wisdom regarding the operation of markets was not borne out in a number of respects in my fieldwork interviews. Most importantly, businesses exhibited no lack of understanding relative to the importance of local culture and were clear in explaining how they propose to effectively interface with this. Interestingly, marketing strategy was to be accomplished in almost all instances by gathering local, real time information directly from consumers, and matching this with general knowledge about the broader society - its religions, type of government, history, size of population, demographics of age, gender. Equally consumers these days significantly accumulate knowledge about business ethics and practice.

Certainly some social and cultural factors did not obtain strongly enough to influence normal activities in executive management in companies producing for the markets. First, one notes the ethnic and racial mixes present in most countries. When one interviews within a single country people of different race or ethnicity about core national values and market related practices, one finds that their opinions and feelings are generally the same. Another factor which did not seem to occur was feelings of superiority, as in an 'us and them' attitude, between international persons or businesses relative to persons or markets in host societies. As to particular businesses I found the expression of universal feelings of common identity, relating to all levels of operation, along the lines of 'we are all in this together'. Thus the problems to be solved and adjustments to be made are projected toward the common (business) good. As a matter of fact,

this writer found instances of international business executives exporting solutions worked out locally to another country or society in order to resolve problems in other markets. Finally, cynicism was not marked among market participants, whether consumers, producers, or others. Markets are revealing of our personal interests and images, along with attitudes relative to our culture and fellows. A highly important executive in a publicly traded company observed: 'if we exchange in the markets, our true natures, ethics and perspectives will be revealed'. My respondents exhibited little distrust of human sincerity or integrity. Outside of some Americans, I did not find high levels of apparent individualism or persons out to fulfil self-interest without regard for the group, management team, or others in the society. Only a few evidently believed in working solely in furtherance of their personal gain without considerations of the rights or well being of others, but thankfully these were only a few. It was indeed the case that:

'In a market each person is rewarded according to the value of his contribution to other people's plans, as valued by those people. Thus a person is rewarded for discovering new ways of assisting other people in the pursuit of their aims - for discovering what is useful to others.' (Sugden, 1986-174)

My findings are that business managers look beyond all forms of modelling to the people/consumers themselves, realising fully that success depends ultimately on the actions of acceptance or rejection by persons in the society in question. The majority of businesspersons contacted by this writer clearly desire to

participate competitively and sensitively, which for them means discovering ways of assisting others in filling their wants and in pursuit of aims. People in a society are viewed by business executives in the frame of their culture; in this context is found a capability and willingness to generate demand for a company's products; demand is, in the end, the force that directly controls levels of production. With these facts in mind adjustments in product design, quality, packaging, presentation, and so on are constantly being made, to comply with local cultural mores. In this context through international business meetings and associations, information is exchanged with other executives, even with other companies, to allow broad adaptations to occur. A very interesting discovery is that in such meetings or Internet exchanges of information very little of an economic nature is involved; social, cultural and consumer facts predominate.

These managers' concern, no less, is to maximise their intimacy with the consumers' world. Successful managers do not think in terms of penetrating or controlling markets merely through force of advertising or marketing clout. If the products offered do not comport with elements in the culture propitious for demand, or if there is a perceived negative impact, they will exit the market. Most companies have entire departments staffed by persons educated and trained to analyse, maintain and protect 'customer relations'. Responsible managers become highly concerned when things go awry in these areas, as it takes much longer and costs more to repair public confidence and acceptance, if indeed repair is possible, than it does to repair mechanical or production problems; no international market participant who contributed to this research

effort was unaware of these facts. I interviewed the chief executive of a company in South America whose business consisted of international distribution and sales of expensive designer ready-to-wear clothes, who said that his company conducted continuing interviews with customers, recording their wants and desires, then acquired specific items to fill that market, many times down to the individual person, in each country. He further stated: 'it does not matter what we produce: if the public does not want to buy it we fail'.

In general terms recognition is given by businesses to the many items and categories of products having permanent identity with specific cultures or peoples that are exchanged in international markets: Japanese cars, designer clothing with logos or ornamentation identifying teams, specific designers or manufacturers, products from American Indian or Inuit cultures, Scotch whisky or wool plaids. In this vein Macdonalds restaurants serve veggie burgers in India where the consumption of beef is culturally distasteful and use Asterix the Gaul as their advertising representative in France instead of Ronald, not to mention pioneering menu changes in many other countries to conform to local taste and practice. One notes that such global direct marketing plans produce reductions in acquisition cost to consumers, thus increasing demand in already fast growing markets. Companies selling into markets where there are higher concentrations of lower income or poor persons redesign packaging to allow sale of items like seeds and other products normally sold in larger containers, in smaller quantities; also the packages themselves are designed of material and reduced graphics to lower consumer cost.

A key dimension of this is that companies these days offer configurations tailored to markets in almost unlimited variety, totally dependant on local practices, needs, and taste. Such practices represent large, clear, examples of direct (at times face-to-face) communications between producers and consumers. One of the international businesses contacted for this report was a major computer manufacturing company which has successfully followed this direction to the extreme and represents an outstanding example of the marketing practices enjoying widespread acceptance in global markets. The company has grown into one of the largest global suppliers of computers, software, and peripheral or support equipment and enjoys double-digit annual growth. This company carries on the practice, envisioned by its founders, of constructing every single unit produced exactly to the desires and specifications of the individual consumer, on a direct sales person to person basis; they directly service and maintain the products after sale in a very dependable manner. [As a matter of fact I am writing this report on a most satisfactory computer purchased from them while collecting data.] In like fashion my research revealed the extreme modifications of clothing designers and producers to consumer preferences; the number of different taste, practices, uses and style requirements are simply enormous. When one listens in personal interviews to those supplying clothing to world markets the complexities of the task are obvious given that people in all cultures not only dress a bit differently and have distinct colour and fabric preferences, but obviously exhibit different physical characteristics i.e. tall, short, thick, thin, short torso longer legs, long torso shorter

legs, and so on. The suppliers interviewed constantly attempt to not only meet national and cultural requirements, they maintain market studies and adjust products to comply with needs right down to the local community level.

A case study of a business producing luxury, ready to wear apparel, shoes and full lines of accessories, exemplifies these points. Located in France this enterprise has for generations been family run, and has grown and acquired other businesses in the process. My impression was that the owners were gratefully amazed at the success and demand for their products, some of which are produced in their own workshops and some by contract to known artisans who are primarily involved in what can be termed 'cottage industry', whereby the work, most of which approaches art, is done on the artisan's property, in the dwelling house or in an outbuilding. A very interesting aspect of managing an operation that deals in such labour intensive luxury items is the very fine degree of personal involvement needed in every market and location to discover the wants and desires relating to potential customers. One of the principals expressed this: 'our first job is to know what the customers want will accept and buy, before we make the products! In regular lines of goods you can if it does not move mark it down and clear it out, in our business this is not the case - marking down has little effect on our customer base, so we stay in constant communication with the buying public through in-house programs and contract surveys; we listen to them.' Their Director of design and marketing made an observation I thought well worth remembering: 'we do not sell anything to

customers; we just match them up with the things they already want.' That to me expresses the new-embedded age of post-capitalism most succinctly.

In the post-capitalist world consumers are not neutral to the production process. This occurs in a practical and ethical sense, but in each case consumers are intimate to production meanings. One practical sense is that the consumer may be co-opted into production itself whereby input is required from the consumer to complete the production process. We have all been exposed to the dread words 'some assembly required' whether buying items of furniture, toys for the children or computers. In the case of digital photography one snaps the shots, downloads to the host computer, edits, then prints, performing oneself almost the entire process. One interviewee who represents a global manufacturer of digital cameras saw this customer participation as building customer loyalty, stating, 'the customer feels we are catering to them by allowing them to personalise the objects acquired'. There may be some truth in this as we can all remember the children watching in awe as dad assembled some treasure, and of course when we shop on the Internet, we become an involuntary salesman for the seller and sell to ourselves.

As to the ethical sense we live in an age when people want to know about the companies behind products offered in the markets. Here information 'flows in reverse': now consumers secure information about companies and increasingly scrutinise and pass moral judgement on the activities of business. Consumers not only demand the products they want, they punish those businesses that do not also subscribe to high levels of moral conduct - witness the recent failure of

Enron, and the closing of Arthur Anderson and WorldCom. In direct contacts and interviews with consumers, I certainly found them to be very sensitive to and well informed about these sorts of issues. Such socially aware consumers are not turned on to 'conspicuous consumption', in Thorstein Veblen's sense of people engaging in consumption simply to convey their membership in a leisure class. The sensitive 'new consumer' instead uses goods and services to indicate caring or religious convictions, and hobbies or sports interests, in general to convey a sense of belonging to a broader community. They also display a commitment to affect positive changes in markets and indeed the whole of society, through resistance to negatively perceived objects and cultural changes entailed by market practice, or, on the other hand, through support of objects and services seen to be in accord with local culture and practices. Indeed there are now numbers of investment funds and vehicles for savings specifically oriented to 'socially responsible investing'. The State Treasurer for the American state of California, Philip Angelides, explained: 'Smart investors don't blind themselves to the way social values and practices affect investment.' I researched a specialist company that offers through the Internet an interface between consumers and companies which allows consumers to choose intelligently the businesses with whom they wish to trade. The company's founder says: 'We believe that through the Internet we can preserve culture, by rewarding sustainable cultural practices and by creating a global market for them'. Businesses adapt to this state of affairs. In the context of such two-way flows of information and analyses companies feel they can operate more ethically, while at the same time adapt

operations in accordance with local cultures and changes in cultures. What is developing is a symbiotic structure between businesses, financiers, markets and consumers, to preserve the social and cultural foundations of markets and the environment.

Post-capitalist intimacy between producer and consumer is heightened, indeed marked, by electronic technology. Whilst it took television thirteen years of operation to reach 50 million users worldwide, some estimate that the Internet took only five. The social and cultural responses by consumers to items or services offered for exchange in the markets are very much a result of greatly improved systems for exchanges of knowledge and information both about products, or how others in the community or society view and use those products. Business managers responding to inquiries relative to this research exhibited an acute awareness that the effects of these exchanges of knowledge and information, along with advertising, are to produce sophisticated consumers. These days' consumers have direct communication with producers and drive on a real-time basis the decisions that will translate into market content. Thus the founder of the largest Internet retailer, when interviewed, believes that, 'customer service and experience is even more crucial in the new markets because word-of-mouth is more powerful online than it is in the physical world'. This makes sense given the numbers of people who can be reached via this medium as opposed to physical personal connections.

A very clear illustration of consumer and culture driven change relating to the market in this context is found in the form of web-sites in e-commerce which are

specifically tailored to target a given segment of the market right down to individual interests. The upshot is that we choose the cut and colour of our clothes, design our automobile to our specific needs – such that out of 400,000 E-class Mercedes produced in one year, only four were identical. Actually, according to the information I collected, a great amount of social and cultural adaptation begins at point of sale in retail outlets where automated systems monitor what moves from the shelves, when, and which brands. This is because there is so much competition for 'shelf space' only the brands that 'move' are allowed; those that move are obviously going to be the ones people in the society prefer. Another very beneficial property of computer systems is to enable a J.I.T., i.e. just-in-time, system to operate, which means that items for specific ritual observances or holidays such as Christmas or Passover can arrive and go up for sale at just the right moment, which is a great convenience to the consumer. The items will be fresh and will not take up space in the home waiting the appointed time for use.

All told there are in place a number of specific programmes and structures to assist management in analyses of and uses for the large volume of complex data on interactions in the markets. Many of these practices and programmes are of benefit to the consumer; a number are structured in ways that ensure continuing social content in market exchange. Business managers whom I interviewed expressed the difficulties encountered in interpreting consumer-generated communications from market data gathered by computer programmes, put in place for the specific purpose of extracting at points of sale the preferences of

consumers, in very great detail. Such programmes are designed to capture automatically not only the identity of the item being exchanged, but also its colour, size, packaging (a method of testing packaging is to place the same product in various colours and types of packaging and record which gets the most hits), the material from which it is made, and the type of market in which it is placed - department store, specialty shop, catalogue sales, etc.. The detail and sheer volume of collected data, makes it very difficult to be sure which properties of the item drives acceptance or rejection. That problem is handled in a variety of ways:

1. Instruct through the computer programme a more detailed study of transactions focused in the area of doubt. Some respondents describe very refined complex capabilities in this area through knowledgeable use of their data processing system; the importance of such data, according to respondents, is precisely to help business decisions converge with the wants and perceived needs of persons in the wider society.
2. Devise bullet tests. These consist of sending one type or model of the item of, say, a chosen colour into specific markets and closely track the results for a measured time; then send another type and colour to exactly the same market for the same period and compare.
3. Employ persons who are qualified to accompany the products into markets, and physically conduct on-site interviews with consumers, monitor actual transactions, and observe demographics of age, sex, race, etc., of both consumers and market or sales representative. The sales representatives'

statistics are important because of social and personal preferences that have effects on market transactions. For example especially with personal items some men will not transact with women and vice-versa. It can also be rather uncomfortable to discuss diet medications or prosthesis with a very overweight person, and then there is always everywhere problems associated with language. The field representatives then report back to management not only with data, but also with opinions from personal observations.

So it is that societal and business adjustments are continually made by individuals. These concords with what F.A. Hayek observes, in examining the grand complexities involved in social change:

'It is difficult to conceive all the combinations of knowledge and skills which thus come into action and from which arises the discovery of appropriate practices or devices that, once found, can be accepted generally. But from the countless number of humble steps taken by anonymous persons in the course of doing familiar things in changed circumstances spring the examples that prevail. They are as important as the major intellectual innovations which are explicitly recognised and communicated as such.' (Hayek 1999: 28).

### **Marketing**

The processes discussed above are clearly evident in marketing. Lien, in her analysis of executive responsibility specifically in marketing, describes in some detail the levels of market related sensitivity exhibited:

'Any evaluation of quality ultimately depended on whether or not consumers would accept and choose the final product. Consequently, consumers' attitudes were an issue of great concern. Uncertainty associated with what consumers want was also... a source of discomfort... In more practical terms, this means that the product manager collects various types of relevant information, and follows up on various aspects of the process from production to sales, such as product quality, content, production activities, legal regulations, sales statistics, storage, consumer profile, consumer complaints and much more. On the basis of this type of information, the product manager makes judgements and decisions about the products, for instance to carry out additional market research, to launch a new variety, to develop a new package, to launch an advertising campaign, or to get rid of the product.' (Lien 1997: 65-6)

Lien's observations spring from fieldwork performed within a single large company involved in the production, distribution and sales of food products. Lien's ethnography represents a recent, clear, in depth explication of modern corporate practices exhibiting elements of cultural and social concern. I found the same elements to be present in the management of almost all the businesses contacted in my own research. Of course, universally throughout the business world, responsible business managers also take into account numerous factors not relating to the consumer. There is the fundamental financial factor, which means the necessity not only of producing products that comport with demand factors in the market place, but at the same time also of operating profitably to

ensure returns to investors. As well as this there is the matter of corporate security, in the sense of product secrecy and protection of markets. However these factors do not diminish either the importance or effects of the social and cultural as primary factors informing the ultimate business decisions to be made, for example relating to the need 'to get rid of the product' or 'to launch a new variety'. Thus several executive respondents in my research pointed to social and cultural matters as being the first issues visited when considering new markets. The question, 'can we survive and prosper if we take the steps necessary to align our practices and products to comport with local cultural mores', is of primary importance and controls subsequent decisions. A case study exemplifies.

After a long rather confining flight I arrive in Argentina, a country with language and customs different from my base in Europe, but people are friendly, though their sheer numbers and the traffic challenge belief. I have been collected for transport to meet with the chief operating officer (COO) of a much diversified transnational company involved in production, distribution, and marketing of a broad line of somewhat unrelated products and services. I have exchanged several communications with the company since my initial contact resulting in my discovery that the information I seek resides in this person, his immediate staff, or someone who reports to or through him.

The driver brings me to an efficient looking edifice lacking grandeur, projecting however a feeling of solidity. We meet in an austere room containing a table and eight chairs, lighted quite well by two very large windows and as luck

(or planning) would have it connecting to a well equipped coffee/tea room. Introductions are dispensed with quickly; one is immediately aware that here time is given consideration and value. Attending are the COO, the Data Processing General manager; and most interestingly a Vice President of Marketing and Production. I had experience of both these latter responsibilities in the same management structure or office but this was unique finding them in a large global company residing in the same person. On mention of my surprise I was delivered of a short explanation of the company's management philosophy, including the reason for such a combination and how the respective activities relate positively, while sales and distribution are quite separate and different endeavours. It was expressed that many companies fail or were taken over by others not because of their inability to produce products, but because they were not successful in effectively marketing their production. Other companies were great at marketing but their products suffered from poor production practices or did not fit into the markets where they were introduced. The present company having acquired some of those businesses realised the importance regarding production and marketing of good balance and application on an integrated basis. It was further described to me that simply knowing the markets involved was crucial, by carrying on constant research and market specific inquiries to discover what the people want (cf Miller 1997: 179); and production to meet cultural and product demands must fully trust the content of that knowledge.

These executives described themselves, along with the expanded company's management, as a close knit international team with a culture of working together

to find solutions to problems that after all related to everyone's role in insuring defined company goals are met. The COO went on: companies in our group operate with a great deal of autonomy, goals are set, and market specific information and solutions to problems are shared, we do not have time for or patience with turf building and/or intercompany or interdepartmental personality conflicts; we therefore follow a practice of having fewer managers with broad responsibilities and authority. I came away with the sense that not being perceived as a 'team player' might lead one to being perceived negatively in the top echelons of business and finance; a culture of compatibility and working together is considered very important in the international business world (Thrift 2001: p.424).

The company controls companies involved in natural gas and petroleum production, drilling (for themselves and others), pumping and pipelines (for their products and public use), refining (same), manufacturing parts and supplies for those activities, retail outlets, chemicals, personal or team apparel and equipment for sports related activities, furniture and foodstuffs, in a number of countries on different continents. These activities require movements of raw materials, partially finished goods, finished products, parts and people, between production locations and between those locations and distribution points and sales outlets which are run and managed by one of their companies, or distributors which are operated by third parties; the latter are at times necessary because many countries require all or the majority of any business operation to be locally owned. Items are at times produced in one country and marketed in

another; in other cases they are produced and marketed in the same country. This is attendant to import/export laws and regulations. It is the relative uniqueness of products to a given location or local customs such that such products sell well in one market and not in others (i.e. things of a given style, print pattern or colour, certain logos or identifying marks such as sports clubs or national/regional flags or medallions). The company's production locations are at times chosen based on size of the market; if demand is sufficient in a large enough market to support local/regional production a facility can be put in place if production costs are justifiable. The installation of production facilities are at times delayed because of government intransigence. In some of these instances the company waits for demand pressures to build in the society as a result of product knowledge, word of mouth, and/or direct and indirect advertisements; when the government feels enough social pressure the company is invited to come in.

Several times while we talked people came and went, there were sidebar discussions covering normal operating decisions. The data processing manager told me this was not unusual as meetings were never allowed to take precedence over management being available to staff relating to decisions affecting company operations. No boost to my personal image, the marketing and production manager added: 'we consider group meetings to be non-productive time, though at times necessary, we do keep them to a minimum'. He continued by pointing out that they desire to not only continue expanding markets for their products and services, but to constantly make them available to more people at lower prices

through being internally more cost efficient. My questions relative to developing market and consumer information ignited a very informative exchange in which the data processing manager assured me: 'in addition to programs and surveys, from our own data we know the identity of our customers, who and where they are. Our in-house feedback from active programs inform us as to details down to age, sex, wants, dislikes, life-style and much more: the buying and using public is able on a real time basis to communicate directly with management occupying decision making positions; and we know to listen.'

### **Advertising and Freedom**

The social/cultural is central to all markets, and drives the articulation between production, distribution and consumption (Miller 2002: 224-5, 227). I was told: 'For producers the way to profitability is not through disentanglement, but through further entanglement'. In this context, advertising is the method most often employed to cajole consumers. Thus advertising plays a central part in entangling the universe of producer, seller and buyer. Accordingly advertising though not a principal subject of this research has relevant elements I feel it necessary to discuss. First, advertising is an integral and ubiquitous part of the business world. Second, whilst this study does not take information from advertising agencies as such, respondents for this research frequently discussed advertising relative to its uses in producing and marketing products. At the turn of the millennium advertising clearly mediates the special intimacy prevailing between producer and consumer.

I have alluded to businesses whose sole activities are to develop data relative to consumer responses and reactions to advertisements or products. Producers, consumer protection groups, regulators and NGOs (Non-Governmental Organizations) often retain these types of companies to do surveys or track products and advertisements, and then report, often on a real time basis, to managers or directors with a breakdown showing rejection or acceptance levels along with opinions and/or explanations for those reactions; management's use of the data provided drives adjustments or changes in advertising and production (ibid.:180-1). In interviews for this research reports of this type were referred to and or quoted from, and on two occasions I was ignored sitting in the room when rather extensive exchanges (not about me) took place over data of this type in the frame of 'I have to answer....what do we want to tell them, etc.' In this environment advertising has a distinctive role, namely to inform the public that certain commodities were available for purchase. Not that such notices are the only reason for advertisements as other elements pertain, among them 'branding', which involves a company or product through advertising insinuating itself into the cultural background such as to become part of the 'normal' landscape (Thrift 2001: 424); successful branding has resulted in establishing many of the household name products in use today.

In the world of post-capitalism, the localization of advertising is one area where the rubber meets the road - where we see the effects of business on society most clearly (ibid.:153). An American Senator (now deceased), in discussing the upcoming election with me in 2000, observed: 'I do not spend time

worrying about national political issues - all politics is local. References to advertising in my discussions with managers generally supports the same being true in advertising - all advertising is local. Within a given company I found that generally there exists no discernible international formulation or directive regarding the shape of company advertising. A senior manager in one of Germany's leading companies that produces a rather broad line of vehicles and bits and parts to support and service them, told me, about advertising: 'The focus is on the local (in his perspective local references national or at least regional markets). The international or global becomes a construct of local/national operations managed individually. This structure allows changes or adjustments to align advertisements and the marketing effort to reflect local preferences.'

My enquiries about advertising were generally along the lines of; what are your main purposes in advertising, what do you use ads for, or what are your expectations relating to advertising? Interest in this area lay principally in a desire to develop data relative to the question of whether both advertisements and the products they represent reflect the cultural mores, language, racial mix, music, even choices of colours desired by the society as a whole (ibid.: 196-217). Especially, the matter of consumer freedom relating to the consumer's capacity to choose, reject or perform demands arises at this point. If consumers are allowed unrestricted freedom to pursue lives they value they will resist advertising that does not comport with local cultural mores. The localizing effects of 'freedom' on advertising are pervasive and effective. Martin Wolf observes, about companies:

'...they cannot force their customers to buy from them. They can only cajole them. The resources they control are the result of free choices made in the marketplace. They do not control their customers. They are controlled by them.' (Wolf 2004: 223, 228, my underline)

At the same time we have consumers confronting producers directly: through individual reactions to advertisements and their content.

My case study of advertising reflecting aspects of these processes comes from an international company based in Italy involved in the design, production, and marketing of a rather broad line of apparel through both owned and contract outlets. My initial contact with the company had been through the mail, with a 'no! do not have time to participate' reply, but I had later called by phone to thank them for the reply. As we talked about the business I mentioned that I had experience as manager of a carrier transporting goods for many years in and out of New York City's garment district and was generally familiar with the industry, and I suggested that if we visited together it would not consume so much time and we could share our experiences; that was accepted and we agreed on a convenient day. On arrival at a rather large building that looked very old and much used on the outside and was a bit more modern inside; I experienced a most cordial welcome from an older gentleman and enjoyed a short tour of the offices, which was productive in that it allowed me to somewhat visualize the flow between groups and functions as they were described in conversations later. My guide informed me that they were in the 'rag business', which is a more or less standard trade description for those involved in the apparel business. I

subsequently learned the elderly man was in his late eighties although as I could see very much in command of his faculties; it was also quietly pointed out to me that he was the company's founder.

The firm in addition to the founder employs three other family members one of whom serves as head of the firm and is the person I originally contacted; I will refer to him as 'the principal'. Five of us sat down in a small conference area. In addition to me the group consisted of the principal, the executive vice-president & general manager (a no-nonsense high production and profit oriented person), the head of research, design and marketing, and the transportation and logistics manager. I noted that interaction among them was easy and respectful without discernible stress which I am sure contributes to the success of their endeavour. After introductions we began, as it turned out, a broadly productive discussion, starting with details about the physical locations of the firm's offices and production facilities in several countries which were said to be the result of both planned and organic growth. The planning was in regard to ease of transport between operations that carried out only part of the manufacturing processes: receiving and cutting goods in one location then on to another for sewing and another for finish and shipping - shipping entities were strategically located to allow season or date sensitive products to arrive without undue delay. Planning growth also and most importantly included meeting personnel needs: according to them creative people and talented managers today simply will not relocate away from their chosen or historical locations, so, 'we go to them'. There are of course other reasons for choices of location some of which are the quality and

structure of governments, energy availability and transportation infrastructure, availability of land or space, and taxes.

This particular interview is appropriate here because when it emerged as a subject the group was very interested in and knowledgeable about advertising and saw it as affecting the firm's entire internal structure and public relations. We actually segued to the subject of advertising while discussing security, which is a highly important activity in the apparel business, which is one of or arguably the most competitive industries in which one can participate. As the design and marketing manager explained, new lines or even specific products designed in-house under high security for the coming season can suddenly show up in markets or outlets correct down to the smallest detail – 'knock offs', as they are known. Both internal and external security are correspondingly high down to and most importantly choosing advertising people, since completed designs and even production models are sent to them to build campaigns around. I inquired, 'why advertise?' Does it produce positive returns on a reasonable 'risk reward basis'? Responses were immediate, thorough, and sometimes heated. For lack of space and the relevance of some comments I will excerpt.

The principal responded immediately: 'we live or die in the markets through advertising'. It is the best way to communicate with customers and allow them communication directly with us. Besides, our competitors are out there advertising and we must meet any effort of theirs with equal or better advertisements, and products to back them up. There was agreement from the marketing manager, who interestingly also said that they in some instances did

pre-introduction tests of markets for new products through advertisements, by simply releasing advertisements in a given market and measuring public response through surveys along with recording in-store requests for the product. From that information in conjunction with years of experience, they have the ability to set numbers for production runs. Continuing, he pointed to the much valued educational benefit coming to the firm from interactions and communications with advertising agencies and their creatives on preferences and product needs for local markets. Further, they use agencies to do many things other than advertising that also produce a constant flow of local information, such as: one-on-one interviews in malls and stores about targeted products, after sales contacts to measure satisfaction level and opinions about possible product improvements.

A perceptive observation came from the general manager (who lamented the high cost of advertising, but felt it well worth the expenditure): through advertising the firm is able in all markets to maintain constant direct dialogue with customers so as to adjust as much as necessary to meet their wants and needs. 'I know of no other method to acquire directly from the public that type of reliable information, we operate in many markets in different countries and must modify items to local tastes, in short, I need it!' Most of the group remembered earlier times when products were manufactured and shipped for each season and the internal designers set the styles; but not today. Consumers' demands are clear and constant, consumers set the styles, content, timing of production and delivery to retailers. I have pleasant memories of this visit in part because after

our discussions in the office we walked out to a small coffee shop and gelateria in a nearby via, where we enjoyed a convivial time over delicious snacks.

### **Conclusion to the Thesis**

Ricardo saw all wealth as having its genesis in the land. Adam Smith broadened the concept to include mercantilist and traders in addition to land and its uses. Historical facts support the idea of wealth accumulation and success (both subjective terms) resting firmly on a foundation of 'natural resource' exploitation. Examples for illustration are: abundant fish and other sea-life, along with coal, in Great Britain; furs, gold and timber in Canada; oil from the Middle East; great quantities of gold and silver extracted by Spain from South America; furs, cotton, minerals, timber, oil, and grazing land for animals in the United States, which has an unenviable record of exploitation of its natural resources. The list could grow very long indeed if we add other countries and examine the origins of their wealth and success. The point of this illustration is that neither markets nor political structures in and of themselves add one farthing to one's fortune, absent the grandest 'natural resource' of them all - society itself. Both markets and governments cost the society to operate. These are facilitating institutions, the machinery for success and wealth generation whose mission is the successful exploitation of the collective creativity and energy of individuals in the society. I believe that when we are not moving toward ever increasing levels of embeddedness the system is running awry. I have argued in this thesis that we are already in a nascent post-capitalist world. This is a world in which

transparency prevails (see Dilley 2004): the invisibility of production from consumption, the condition in which 'normal' capitalism functioned, has virtually disappeared in market exchange – producers and consumers are known to each other and both know the other knows. In this context those who are resisting change in markets, communications, political structures or economics, who wish to return to some imagined past or hold on to the status quo, are much like someone holding an ice cube that is melting in the hand: the sensation of holding masks the feeling of being wet; at some point as the cube grows smaller wetness prevails and change begins.

I have shown in this thesis how, when present-day business practice and marketing are approached through anthropological and philosophical perspective, it is possible to discern a break in cultural practice such that, at this very moment, we may be entering a new economic 'period'. The hallmarks of 'normal' capitalism may be disappearing largely thanks to electronic communication and the widespread availability of the internet. The radical distinction between owners of the means of production and workers in production is now less valid as the workforce, able rapidly to retrieve relevant knowledge, enjoys an increasingly sophisticated understanding of business and industrial practice. The profit motive is tempered because an increasingly ethically aware consumer public demand that businesses give sympathy to an array of (non-quantifiable) non-utilitarian goals. Finally business can increasingly by-pass price as the sole cue to consumer demand. Electronic means of data processing and analysis now mean that the business world can fully enter - as surrogate

participants - in the consumers' personal domain. Paul Eden heads a division of one of the world's largest advertising agencies: Ogilvy-Field Brand Investigation (FBI). He is commissioned by companies to provide video research of consumers, providing vital insights into their likes and dislikes. Eden tells me: 'interest among big corporations has spiralled...The real bonus is that they can eyeball the people who are important to them. This is the way we can invite the consumer into the boardroom'. Likewise the surveillance systems allow observers to keep track of people in the store, follow their routes, and check what they look at, ignore or purchase. In short, electronic processes now provide an unprecedented technical and cultural bridge between producers and consumers. Producers can embed themselves in the reality of consumers, and for their part, to a degree, consumers can lodge themselves in the reality of producers. This, in analytical terms, is the world of post-capitalism.

Richard Haddock, Executive Head of the British Farm Union, pointing out the fact that management does listen and change decisions based on social information received from consumers through the markets is quoted in the London Times, on 9.3.2000: 'Thank God for the great British public, their support makes all the difference: they the consumers, are the only ones the big retailers will listen to.' Survival or success of any business rests exactly on recognising and acting on the aspects and practices that demonstrate and reflect embeddedness. Those companies who do not hear and act on the social messages very well are punished summarily. Some examples, widely known recently, are Marks & Spencer, who did business their way almost to the point of

ruin before correctly interpreting customer wants. Local and national telephone companies waited much too long before accepting the inevitable ascension of mobile telephones and broadband technologies for computers. Airlines have mostly still not adapted. A major airline executive when interviewed expressed surprise that the necessary changes had not been adopted in their company since, 'everyone has known for a number of years what is needed', and then laid most of the blame onto the unions. A certain level of what an interviewee termed 'economic altruism' is wanted by consumers from businesses today. Economic altruism as he defined it equals 'a genuine desire to not only broaden markets for desirable objects and services, but to constantly seek to make them available to more people at cheaper prices'. It is desirable in the business manager's mind that they be seen by the consuming public as, so to say, 'social entrepreneurs'. Social entrepreneurs mobilise poorly used resources, in this case their assets are mainly the relationships they are able to build. Successful social-entrepreneurs are good leaders, are visionary and able to communicate their aims in ethical and moral terms; above all they are caring and compassionate about individual people and cultures. They have moved beyond 'left and right' or 'market and state' and see clearly the value in effective 'integration', that is, bringing together the components of economy in mutually dependent fashion. They reject right wing radical individualism.

Welcome to the age of all; the age of 'us and them' in the sense conveyed by Carrier's *Occidentalism* is Already Over in International Markets. The idea of 'them' conducting affairs in one way, and 'us' conducting affairs according to

quite different principles was moribund before its introduction. The question is not about how to integrate the two sides but how to protect individual rights and respect local cultures as international markets continue to expand. An expanded sense of the need for protection is required because of the sheer size and global nature of markets today containing as they do increased corporate security, lightning fast communications, data exchanges along the ever expanding 'information highway', rapid and dependable transportation (one can send a package overnight directly into the hands of the addressee, delivery guaranteed), rapid immigration of peoples, and new levels of market trading in material goods and services, intangibles, options, and futures. These factors also affect research possibilities relating to the global economy, as specialised knowledge is required to penetrate businesses and markets sufficiently to discover what is going on.

The Queen states in her 50th Anniversary Queen's Speech: 'The way we address change defines our future. What endures are timeless values expressed in institutions which must continue to evolve?' Caution and thoughtful consideration should be the hallmark of rapid or great change out of concern for the possible effects in the areas of social and individual well being. I agree with two points made by John Paul II in his statement on global changes of 27.04.2001 in which The Vatican sets out 'inseparable principles':

'First, the inalienable value of the human person, source of all human rights and every social order. The human being must always be an end and not a means, a subject and not an object, nor a commodity of trade. Second, the value of human cultures, which no external power has the

right to downplay and still less to destroy. Globalization must not be a new version of colonialism. It must respect the diversity of cultures which, within the universal harmony of peoples, are life's interpretive keys.' (John Paul II 2001: 2)

Though I am not keen on the idea of Papal infallibility, from a secular viewpoint this reads like an instruction for maintaining social content in markets; it will reach hundreds of millions worldwide.

Notwithstanding present-day circumstances, let us hope the 21st century will be a time of reason, commonsense and peace. The 20th century was the age of faith in science and technology. We approached all societies' problems - the poor and marginalized, the old, racial differences, the environment, and so on - as just another problem soon to be eliminated by efforts of government or technology. This approach failed. We resolved virtually none of the basic problems that existed and still persist, albeit in more serious and dangerous form. The key thing to understand is the failure of superimposed intelligence to cure what are social, cultural and environmental difficulties only solvable by and through individual persons within the community. Hopefully the 21st century will be the 'age of the heart' wherein lifestyle, commonsense and correct human judgement will affect the cures and stop the destruction. Fortunately the principles of social affairs, constant since the first human society, remain intact, namely keeping up relationships, making sense of our environment and producing a living.

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# APPENDICES

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**UNIVERSITY OF ST ANDREWS**  
SOCIAL ANTHROPOLOGY

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5.5.2000

To whom it may concern

Ike C.Hemmings is a matriculated research graduate studying in the above department under my supervision. I should be most grateful if you would render him assistance and support in the conduct of his studies.

Mr Hemmings' research involves an anthropological study of decision making among leading members of the global business community, and will consist of the conducting of personal interviews and the distribution of questionnaires. It may be mentioned that, before turning to academic study, Mr Hemmings held several significant offices at the top level of many businesses involved in international commerce.

Please don't hesitate to contact me if you require further information.

With many thanks,

A handwritten signature in cursive script, appearing to read 'David Riches'.

Dr David Riches (Senior Lecturer)

## Business Overview - Ike C. Hemmings

Born 1934 in southern USA.

Served in US Marine Corp during Korean Conflict.

After Korea studied law graduating 1959.

Worked in transport industry while in law school; also became engaged in commercial real estate development. Both transportation and real property development became long term interests, resulting in widely held real properties and development of a national and international transportation company which I served as President and CEO.

While carrying on these duties also served as President of a design and construction company which constructed several buildings at Disney World, Orlando, Florida including the Fantasy Castle and Small World venues; other projects included nuclear power plants and maintenance hangers for emerging 747 and C5 military aircraft.

In the 1970's co-founded a full service bank and served as a director and audit committee Chairman; during this time began business as international bond and commodity trader which continued until retirement from business in the 1980's.

During the 1960's, '70's and '80's I served on a number of boards as outside director; served as panel member or speaker at international and domestic conferences relative to trade, finance and transportation; negotiated national labour agreements.

After leaving active business I did some volunteer social work until re-entering university in 1997. I have completed masters courses in philosophy and social anthropology, which brings us to the present research project on which I sincerely need your help.

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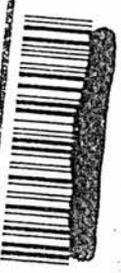
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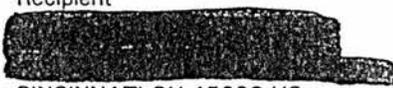
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Ike Clifton Hemmings

04 August 2000

Dear [REDACTED]

I will sign this note to you with the pen from a very nice set which you presented to me at your [REDACTED] office when you introduced your electronically controlled [REDACTED]. We were most impressed, and in retrospect rightly so, as [REDACTED] proved to be an industry changing success. My brother is still operating [REDACTED] using [REDACTED] and swears it to be the best, [REDACTED]. I have kept the pen set and the memories.

As you will see from the enclosures, I am engaged in new endeavours, [REDACTED]. My desire is to explore the personal motivations of those whose ideas are revolutionary, global, and successful. You uniquely fit these criteria! Please read the enclosures and help me by making a contribution of information for my research. Your information will be of great value and treated with absolute confidentiality. I enclose a prepaid FedEx airbill for your convenience. Thank you.

Sincerely yours,

## Questionnaire

(Please use separate sheets of paper  
should the space allocated for answers be insufficient)

Name:                      proper                                      preferred

Nationality:              optional

Marital Status:            if married, number of children M F

Personal  
Background:                Siblings - Number and Sex

Your educational background:

Level achieved

Interesting special courses

Seminars as post graduate. Are there any involving sociology or  
culture either internal (within the corporate structure) or external?

Social Activities:        clubs, organisations i.e. Rotary, Church etc

Sports Interest as Participant:        Historical - Present

1. In your opinion are sports and/or social activities important elements affecting ones quality of life? Please, can you rate them in rough order of importance
2. How do you relate those interests and activities to your work?
3. How do they relate to your company's activities internally and externally?
4. What effect, in your opinion, do your personal views have on your company's goals?
5. How do you feel those goals when put into practice affect you, or your family in everyday life, as shoppers, consumers, employees?
6. How do they affect others?
  - (a) consumers
  - (b) retailers of your products
  - (c) the competition
  - (d) employees
7. Can you define the shareholders interest: Is that interest perceived as controlling? Should it be?

8. Product Lines and Markets: Please give an example of procedures and elements contained in those that generally underlie decisions relative to new product lines.
- (a) Give the same overview as related to new markets.
9. What are your goals personally in the markets:
- (a) Profit increases to benefit the employees (including yourself) and company's shareholders?
- (b) Bringing better quality and broader choices to the market, and to your individual customer (ask if there is a distinction between the two) at ever cheaper cost, while, at the same time, increasing your company's and its products' recognition and profitability?
- (c) Other goals?
10. What does consumer mean to you: Do you individuate their choices by categories, such as age, race, social or economic strata?  
If so, how does one give weight to the different categories?

11. How are elements drawn from above related to, or weighted against, recommendations from Sales or Marketing departments?
  
12. Does or should one's final decision on products and or markets follow Sales and Marketing recommendations, or, does one listen attentively then make a decision that reflects one's reasoned choice as to what should be done, even if that decision varies from staff analysis?
  
13. What are your personal feelings relative to responsibility within specific markets, and persons in those communities?
  1. Environmental issues
  
  2. Human rights
  
  3. Animal welfare
  
  4. Social responsibility e.g. to the underprivileged or marginalised
  
14. What effect do you desire your decisions to have on communities:
  - (a) On your family or children?
  
  - (b) Is there variance between the two?

Does one sell products generally by generating demand - i.e. building a perceived need to acquire, through advertising or endorsements by famous or respected persons?

OR

Is one more likely to be successful if one is accurately reading the communities needs and or wants as they shift and change, resulting in products designed to fill those nascent desires?

Please choose a category that most accurately reflects your best opinion as to the correctness of the following.

1. My management practices and decisions, indeed the choices that guide this company's actions in all markets, and adoption of new products, are driven by the desires and needs of the persons who make up the communities we serve and supply.
  - a - very strong agreement
  - b - strong agreement
  - c - moderate agreement
  - d - weak agreement
  - e - disagree
  
2. I try to hear and be guided by the collective voice of the people, i.e. shoppers, consumers, buyers or retailers whose needs, wants and desires are studied, analysed, and reported because I believe that demand in markets in the end is created by those persons. Followed by the successful companies who hear and act accordingly, accurately understand, and are committed to serve those needs and desires, and are seen by the public to be so committed. This is where the proper role of advertising enters, its proper mission is to inform.
  - a - very strong agreement
  - b - strong agreement
  - c - moderate agreement
  - d - weak agreement
  - e - disagree
  
3. I have responsibility to my company team, as their leader to produce a secure future and chance of advancement for them, and to return value to the investors/shareholders as their elected representative. This mandate in my opinion takes precedence over the social or consumer issues in the two previous questions.
  - a - very strong agreement
  - b - strong agreement
  - c - moderate agreement
  - d - weak agreement
  - e - disagree

04 August 2000

Dear

The goal in my research is to explore the personal motivations of those whose ideas are revolutionary, global and successful. Please read the enclosures and make a contribution to my research. Any information you furnish will be of great value and treated with absolute confidentiality. Enclosed you will find a prepaid return FedEx airbill and envelope for your convenience.

Thank you.

Sincerely yours,

Dear

I would like to ask for your help in gathering information for my research thesis. I am an economic anthropologist, exploring the processes of decision making in the upper echelons of international Corporate Management. By answering the enclosed questionnaire in as much detail as you will, and returning it to me, you will enable me to fully explore the more personal aspects of Corporate Management at policy making levels and report my findings.

Please be assured that no person or company will be named, or even referred to specifically; as you will see from the enclosed brief overview of my business experience, I have served as chief executive officer of large public companies, and fully appreciate the necessity for complete privacy as well as non-disclosure of information. All supplied information will be compiled into one impersonal database, from which universally representative facts relative to international business management will be extracted.

Mine is a serious and important effort, to address an element of our emerging "Global" business community. If you have any questions call or fax the numbers on my card enclosed.

Sincerely.

I. C. Hemmings

Ike C Hemmings  
POBox 873  
29600 Marbella  
Malaga, Spain

Date:

Dear

As an Economic Anthropologist I am completing research on globalisation and international corporate expansion. Please contribute a personal opinion on the global expansions and consolidations we are experiencing and their benefits or complications for the average person in your markets.

Your contribution will be kept in strict confidence and will not be referred to, or quoted from, by any reference to you or your company.

I enclose a pre-addressed return envelope for your convenience or fax to + 34 952789224.

Mine is a serious effort to address an element of our emerging global business community. Thank you.

Ike Hemmings

## Note to ICH

Interviews must reflect the true (as far as possible) attitudes, feelings, and beliefs of those in dominant positions in society:

1. Do they reflect their own feelings of perceived autonomy? or:
2. Is there a real and genuine attempt to transcend the office and remain concerned about the social element of the societies in which they have operations, also is the feedback generated by those activities used to guide or generally affect their decisions?

Is it in the end “general bullmoose” or is it Wal-Mart?

“Does the idea of the autonomous actor\* reasonably reflect the experience of personal dominance in society?”

\* Autonomous Actor = Being solely under the influence of reason i.e. - their actions are truly their own.  
Autonomous actions alone, invoke legal individual responsibility for their outcome.  
By taking full responsibility does one earn dominance as to those less courageous in society?

Remember to include and expand on the philosophical elements especially ethical and epistemological views, perceptions, and actions.

Ethical will involve interviewee’s attitudes toward the impact of corporate or personal decisions on others: e.g. employees, family (including their own), consumers, wildlife and the environment.

Epistemological through their perception of what constitutes knowledge, are distinctions made between:

Personal knowledge  
Group, committee, or departmental reports  
Observations: their own, others  
Representations  
Beliefs

Seek the level of actual knowledge contained in decision making milieu of interviewee.

## Interview Outline

Name: proper preferred  
Nationality: optional  
Marital Status: if married, number of children M F

Personal  
Background: Siblings - Number and Sex

Your educational background:  
level achieved  
interesting special courses  
seminars as post graduate. Are there any involving sociology or culture either internal (within the corporate structure) or external?

Social Activities: clubs, organisations i.e. Rotary, Church etc

Sports Interest as  
Participant: Historical - Present

In your opinion are sports and/or social activities important elements affecting ones quality of life?

Please, can you rate them in rough order of importance

(Note to Interviewer: Try to elicit expansion of this element without seeming intrusive or judgemental, could give insight into possible tendencies such as: team spirit, co-operativeness, openness, passivity, aggression, independence, etc.)

How do you relate those interests and activities to your work?

How do they relate to your company's activities internally and externally?

What effect, in your opinion, do your personal views have on your company's goals?

How do you feel those goals when put into practice affect you, or your family in everyday life. as shoppers, consumers, employees?

How do they affect others?

consumers  
retailers of your products  
the competition  
employees

Can you define the shareholders interest:

Is that interest perceived as controlling? Should it be?

Product Lines and Markets:

Please give an example of procedures and elements contained in those that generally underlie decisions relative to new product lines.

Give the same overview as related to new markets.

What are your goals personally in the markets, for example: Ask a before b, not multiple choice.

a - Profit increases to benefit the employees (including yourself) and company's shareholders, insuring a secure future for all?

b - Bringing better quality and broader choices to the market, and to your individual customer (ask if there is a distinction between the two) at ever cheaper cost, while, at the same time, increasing your company's and its products' recognition and profitability?

What does consumer mean to you:

Do you individuate their choices by categories, such as age, race, social or economic strata?

If so, how does one give weight to the different categories?

How are elements drawn from above related to, or weighted against, recommendations from Sales or Marketing departments?

Does or should one's final decision on products and or markets follow Sales and Marketing recommendations, or, does one listen attentively then make a decision that reflects one's reasoned choice as to what should be done, even if that decision varies from staff analysis?

What are your personal feelings relative to responsibility within specific markets, and persons in those communities?

1. Environmental issues
2. Human rights
3. Animal welfare
4. Social responsibility e.g. to the underprivileged or marginalised

What effect do you desire your decisions to have on communities:

a - On your family or children?

b - Is there variance between the two?

Does one sell products generally by generating demand - i.e. building a perceived need to acquire, through advertising or endorsements by famous or respected persons?

OR

Is one more likely to be successful if one is accurately reading the communities needs and or wants as they shift and change, resulting in products designed to fill those nascent desires?

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2. I try to hear and be guided by the collective voice of the people, i.e. shoppers, consumers, buyers or retailers whose needs, wants and desires are studied, analysed, and reported because I believe that demand in markets in the end is created by those persons. Followed by the successful companies who hear and act accordingly, accurately understand, and are committed to serve those needs and desires, and are seen by the public to be so committed. This is where the proper role of advertising enters, its proper mission is to inform.
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3. I have responsibility to my company team, as their leader to produce a secure future and chance of advancement for them, and to return value to the investors/shareholders as their elected representative. This mandate in my opinion takes precedence over the social or consumer issues in the two previous questions.
  - a - very strong agreement
  - b - strong agreement
  - c - moderate agreement
  - d - weak agreement
  - e - disagree