

Anthropology and Economics: The Argument for a Microeconomic Anthropology

Jérôme BALLET

GREThA, CNRS, UMR 5113, Université de Bordeaux jerome.ballet@u-bordeaux.fr

> *Cahiers du GREThA* n° 2018-14 Juin

GRETHA UMR CNRS 5113

Université de Bordeaux Avenue Léon Duguit - 33608 PESSAC - FRANCE Tel : +33 (0)5.56.84.25.75 - Fax : +33 (0)5.56.84.86.47 - www.gretha.fr

Anthropologie et économie: Pour une anthropologie microéconomique

Résumé

Le rapprochement entre l'anthropologie et l'économie n'est pas un débat récent. L'anthropologie économique, dont la pérennité est en bonne partie attribuable au Marxisme, reste un champ de recherche mineur au sein de l'anthropologie et encore plus au sein de l'économie. Ces dernières années différents auteurs ont tenté de faire revivre le débat ouvert entre les anthropologues et les économistes dans les années 1940-1950, mais les travaux empiriques ne se sont pas réellement développés. L'enjeu de cet article est de promouvoir une méthodologie nouvelle en anthropologie économique qui pourrait parler aux économistes et fondées sur une anthropologie microéconomique. Nous discutons de la méthodologie et illustrons le propos par le problème des transferts privés entre ménages.

Mots-clés: Transfert, contextualisme, droits et obligations, anthropologie sociale

Anthropology and Economics: The Argument for a Microeconomic Anthropology

Abstract

The rapprochement between anthropology and economics is not a new subject of debate. Economic anthropology, whose very survival has largely been attributed to Marxism, remains a minor field of interest within anthropology and perhaps even more so within economics. Over recent years, researchers have argued that anthropology and economics should be interwoven, but few conceptual and empirical analyses have taken up the cause. The aim of this article is to promote a microeconomic anthropology. We discuss a contextual methodology and illustrate its advantages by way of interpersonal transfers.

Keywords: Transfers, Contextualism, Rights and Obligations, Social Anthropology

JEL: D01, B41

Reference to this paper: BALLET Jérôme (2018) Anthropology and Economics: The Argument for a Microeconomic Anthropology, *Cahiers du GREThA*, n°2018-14.

http://ideas.repec.org/p/grt/wpegrt/2018-14.html.

Introduction

The rapprochement between economics and anthropology has already provoked intense debate, for example, between the formalists (Le Clair and Schneider 1968), for whom the principles of economic rationality can be applied without difficulty to anthropology, and the substantivists (Dalton 1962; 1971; Dalton and Köcke 1983; etc.), for whom the focus of attention is on institutions that provide a framework for trade and the circulation of goods. Economic anthropology has, moreover, experienced its moment of glory on the back of Marxist influenced anthropology (Terray 1969; Godelier 1974; Meillassoux 1975). Yet the economics and anthropology divorce seems to have been finalized, especially since the open conflict between Herskovits and Knight. In 1940, Melville Herskovits published Economic Anthropology: The Economic Life of Primitive Peoples. This book deals with primitive economies by emphasizing the interrelations between the different social sciences. His views were initially welcomed, especially by the anthropologist Ralph Linton, who in its preface describes the book as the first review of primitive economies. In 1941, Frank Knight resorted to radical methodological criticism to respond to this publication. He makes a distinction between economic science as a hypothetical method relying on inferences from clear and established principles, and other social sciences as empirical methods. According to Knight, the economic anthropology proposed by Herskovits is anthropology and not economics: it is based on an empirical and relativist methodology, while economics is based on a hypothetical and universal methodology. The response from Herskovits (1941) confirms the split between the two disciplines: he sees economic science as rooted in universal and decontextualized principles, and anthropology as rooted in an empirical and contextual, even monographic, approach.

There have been several recent attempts to both review and restart the debate (Madariaga and Garcia del Hoyo 2016; Bardhan and Ray 2008; Hugon 2001; Mahieu 2001; among others) by specifically looking at the issue of rationality in the two fields of research. De Madariaga and Garcia del Hoyo (2016) in particular examine the developments in economic science that could generate a rapprochement with social anthropology. One of these developments, institutionalism, has made it possible to relax the rationality hypothesis in economics. More recently, another development has been the work carried out in experimental economics and economic psychology highlighting the behaviors of reciprocity. The authors note, however, that much remains to be done to reduce the gap between the two disciplines.

The aim of this article is not to revisit the debate, which has been fully discussed in the above mentioned studies, but to promote a microeconomic approach in relation to anthropology. In taking such a position, we move beyond the debate between formalists and substantivists, where some

1

consider the methodology of the neoclassical approach in economics to be perfectly adapted while others reject this approach entirely. We want to demonstrate that it is possible to build a microeconomic approach which both reflects anthropology and feeds off it. In this sense, such an approach makes it possible to considerably reduce the gap between the two disciplines. This does not mean that a microeconomic approach represents an alternative to a more holistic or comprehensive approach. Rather, it endeavors to concentrate on individual choice behavior, drawing on the results of holistic anthropological work, and acknowledging that such work does not summarize the amount of knowledge required to understand the economic life choices made by populations.

This paper proceeds in two ways. Firstly, based on a review of the literature, we illustrate how anthropology enriches economic analysis in the case of interpersonal transfers. We start with a reading of economic approaches to inter-household transfers. Inter-household transfers are an important topic for crossing economics and anthropology. As underlined by Mahieu (2001), the current significance of interpersonal transfers is a good example of the debate between economics and anthropology, as the complexity of transfers arises from the status of individuals within the extended family and the community. Furthermore, in many countries with failing insurance and credit markets, especially on the African continent, interpersonal transfers are vital in helping us understand the economic decisions made by individuals (Cox and Fafchamps 2007). Interpersonal transfers cause substantial disincentive effects on choices because of the implicit imposition they create for individuals (Kennedy 1988; Platteau 1997; Grimm et al. 2013). They often take place within the extended family and sometimes at the level of entire village communities. Interhousehold transfers can then be regarded as a node of interactions between economics and anthropology. This reading of the interpretations of inter-household transfers in economics allows us to formulate a conceptual proposition for a better understanding of people' behaviors.

Secondly, then, we position our approach conceptually. We propose a contextual microeconomics. We thus make the choice to propose a new conceptual approach in economics, more particularly in microeconomics, which can give a consequent place to researches and contributions of anthropology. In this second step, we formulate the bases of this approach. It allows us to conclude on microeconomic anthropology.

2

Understanding Interpersonal Transfers in Developing Countries

The economic literature proposes three forms of analysis to explain interpersonal or inter-household transfers. We begin with the most conventional economic analysis and continue through to the analysis which requires the biggest input from anthropology and at the same time remains within the disciplinary field of the economics.

Interpersonal transfers as mutual insurance

Conventional economic analysis now considers that mutual aid mechanisms - the fact that families support other families - are introduced in the hope that these families will in turn be helped if the need arises. This aid is incorporated within an insurance system in countries where official insurance does not exist or is not accessible to poor families. This idea of mutual insurance comes from opportunistic individuals operating in an arena of repeated exchanges and transactions (Fafchamps 1992; Bromley and Chavas 1989; Coate and Ravallion 1993; Kimball 1988; Posner 1980). It has found many echoes in economics through numerous empirical analyses (see, for example Ravallion and Dearden 1988; Udry 1994; Gertler and Gruber 2002; Fafchamps and Lund 2003). Mutual insurance implies that informal insurance between individuals or between families allows the beneficiaries to maintain their level of consumption in the event of economic shocks. Thus, when an individual or family experiences a shock that affects their income, they are supported by other individuals and families. When these individuals and families are in turn affected, they can expect the same level of help.

This first explanation seems barely robust. In many circumstances, such as health issues, households do not necessarily benefit from transfers when their income and consumption declines. In Indonesia and the Philippines, studies (Gertler and Gruber 2002; Fafchamps and Lund 2003) show that health issues directly affect consumption and are not offset by transfers from other households. In crop failure, for example, mutual aid mechanisms also appear to be less robust, forcing households to resort to compensation strategies such as selling assets, or sending their children out to work (Beegle et al. 2006). However, these studies seem to suggest that mutual aid is indeed a form of insurance, but that this type of insurance is inadequate. Certain facts cause us to doubt this explanation even more.

In the case of Java, Banerjee and Duflo (2011) recount the story of a woman who had to borrow money to cover her husband's medical treatment. Weighed down with debts, she is offered a television set by her daughter who had just bought one at a price almost equal to the mother's debt.

The question we must ask is why the daughter did not settle her mother's debt. The answer given by Banerjee and Duflo is that mutual assistance is more a matter of moral obligation and that it occurs in certain circumstances and not in others. For example, when a family sees a nearby family dying of starvation, help is easy to give because the helping family can do something without having to change their own existence. On the other hand, mutual aid, which involves substantial costs, as in hospital treatment, does not occur because the cost must be covered by several individuals at the same time. This explanation, however, is very unsatisfactory.

Let us take the example of Mauritania. Some tribes have a system of solidarity called *Lawha* (Ballet and Hamzetta 2003). A member of the tribe can thus appeal to other members during particular events such as a fire, a death in the family, and a serious or long term illness. The other members of the tribe make contributions to compensate for the loss or to cover the cost incurred by the member affected by the event. The costs are sometimes very high, for example, when acute illness requires the purchase of a plane ticket to transport the patient to another country for treatment.

One of the specific features of *Lawha* is its mechanism for setting contributions. Traditionally, tribal dignitaries (the chiefs) would come together to determine the amount of the overall contribution. This contribution will be shared equally among all the men of the tribe who have completed their coming-of-age fast (18 years old) and who are physically fit to work. The amount to be paid by each man depends on the value of the overall contribution and the number of participants. Only infirmity can be used as a reason for exemption from contributions. Unemployment and inactivity do not justify exemption.

This form of solidarity proves very unfair in practice. The chiefs generally decide the amount of the contribution according to the status of the affected person in the community. An influential person will hence have the right to more compensation than a person at the lower end of the community hierarchy. In addition, the contribution deadline is often very short (a week or two). Poorer members of the tribe therefore benefit less than wealthier members (wealth being correlated with status) from community solidarity. Poorer members are often forced to sell goods and assets (jewelry, mattresses, livestock, etc.). This form of solidarity is strange in that it seems to have the poorer members helping the wealthier members rather than the other way round. The example casts serious doubt on an interpretation based on mutual insurance. Mutual insurance only makes sense if a certain balance between receiving and giving occurs or is likely to occur. In the case of *Lawha*, however, it is always those who are least well off who contribute to those who are most well off (Ballet and Hamzetta 2003). It would therefore be more rational for poorer people not to participate in this type of solidarity, which instead of covering them against risks, tends to add to their impoverishment. Putting this case of *Lawha* forward as a justification for mutual insurance

implies that poorer people show extreme risk aversion, in the sense that they would prefer to contribute on a continuous basis rather than find themselves helpless at critical moments. It is reasonable to doubt such an interpretation, if by paying, poorer people become even more impoverished. How long would this type of mutual insurance last? It would seem more reasonable to consider another possible interpretation.

Interpersonal transfers as balanced reciprocity

According to Lévi-Strauss (1963), widespread reciprocal solidarity is totally different from freely consensual mutual insurance. Using the institutionalist approach from economics, Platteau (1997) takes up this interpretation and emphasizes the difference with that of mutual insurance. In a mutual insurance system based on conditions, the principle is: "I help others in the hope that they will help me should I encounter difficulties in the future". This principle relates to a system of redistribution between the lucky and the unlucky. Private transfers merely compensate for the lack of an insurance sector in these countries and derive from a rational strategy. On the contrary, in a mutual aid approach as balanced reciprocity, individuals are creditors or debtors vis-à-vis society at any given moment, but above all, the balance is a balance over the long-term. Balanced reciprocity slots into a social structure i.e. a system of relatively stable relations between individuals based on norms and values. Hence, individuals and households do not only act strategically, but their behavior is also guided by values. Individual behaviors and household behaviors cannot be reduced to strategic behaviors, but they also reflect an adherence to rules. Individuals can engage in fair play if they abide by the rules or they can free-ride by trying to take advantage of systems of relations without contributing to them. It should be noted that literacy has enabled people to keep financial records and hence track each other's behavior in terms of reciprocity. The constraining force of norms and values then revolves around holding accounts of reciprocal commitments that relate to these norms and values.

Such a perspective provides a wealth of possibilities compared to a mutual insurance system. We can, for example, see transfers as an implicit contract between generations, especially where education is at stake. The effort made by older people to finance the education of younger people has repercussions for the beneficiaries in the sense that they in turn are expected to help other members of their extended family. Caldwell (1965) showed the existence of this phenomenon in Ghana. More recently, an empirical study by Shapiro and Tambashe (2001) in Kinshasa supports these findings.

5

However, this notion of balanced reciprocity should not make us forget that balance does not imply equality. To be more specific, systems of social relations are marked by numerous phenomena of cronyism and power strategies concealed behind moral obligations, but also by the status of the individual in these systems, whose lack of symmetry relates to characteristics such as age, gender, etc. This gives rise to a system of rights and obligations for each individual with respect to other individuals, and translates to a form of community pressure (Mahieu 2001). Otherwise, we would not be able to understand the likes of the Lawha system where the poorest members of the tribe systematically contribute more than the other members. The idea of mutual aid being a balance over the long term is not enough to explain why poor members continue to contribute despite the little they gain. They contribute because it is their duty as a member of the tribe. This tribal membership is an important part of their identity and confers a sense of moral obligation - a responsibility derived from identity (Ballet and Hamzetta 2003). Therefore, when Banerjee and Duflo interpret moral obligation as a free choice which can be exercised in certain circumstances and not in others, they forget that moral obligations are inextricably linked to personal identity. And if the daughter does not help her mother pay for her father's care, the reason is that she has no moral obligation to do so as a daughter. It is not up to the daughter to help her parents, but the other way round in the society they describe. In fact, if the daughter assisted her parents, there would be a reversal of identities, which at some point may be unacceptable. In other words, the issue is not one of choice. The daughter should not help her parents because it is not her responsibility to do so. Helping could even harm the parents (they might feel ashamed). Therefore, the analysis of interpersonal transfers must go further so that its structure can be understood. And this is where anthropology becomes a cornerstone in the empirical edifice.

Interpersonal transfers and rights and obligations

A third interpretation of interpersonal transfers can be found in the analysis of rights and obligations (Mahieu 2001). This approach is not incompatible with the preceding one, but complements it by embracing a more anthropological dimension. It emerged at the end of the 1980s as a method to reinterpret the results of the World Bank's Survey on Living Standards (LSMS survey) carried out in Ivory Coast between 1985 and 1986. This survey shows that in Abidjan, the financial capital, income increased by 7.5 percent over the period of observation while consumption decreased by 4.5 percent. In the same period, in rural areas, income decreased by 3% while consumption increased by 2 percent. However, the increase in consumption in rural areas cannot be explained by the fact that households used their savings. Conversely, given the low average income in Abidjan, the decline in

consumption cannot be explained by needs being met satisfactorily. How do we make sense of this apparent anomaly - consumption falls as income rises - when in conventional economic analysis consumption rises as income rises?

The simple explanation for this phenomenon, given by researchers from the University of Abidjan (which I shall refer to here as the Abidjan school) (see Mahieu and Odunfa 1988; 1989), is transfers between households. Over the period in question, urban households made a large number of transfers to rural households. Solidarity between households explains why urban households, although enjoying a rise in income, find themselves in a situation where their consumption falls because they are making transfers to rural households. At the same time, these rural households can increase their consumption, even with falling income levels.

Of course, this analysis can be interpreted in terms of mutual insurance or balanced reciprocity. The originality of the Abidjan school was to link their results to anthropology via the notion that individuals are embedded in a community which confers them rights, but also obligations towards other community members. Their surveys (Mahieu and Odunfa 1988; 1989) show that the proportion of households making direct cash transfers is over 60%. However, these direct cash transfers account for only a small proportion of the transfers made by households. It is necessary to add transfers in kind such as food products. Using these basic components we can determine the rate of direct community pressure on people. In addition, participating at funerals and weddings, being a member of friendly societies and local associations, as well as paying for tutoring, and accommodating other people in one's home, are indirect transfers. For example, their findings reveal that in some neighborhoods of Abidjan (Abobo and Yopougon) middle class households carry a considerable burden, with up to 18 people accommodated per dwelling. By putting all these indirect transfers together, we can determine a broader rate of community pressure on individuals. The results of the surveys show that direct transfers account for only 15 to 20% of the community pressure on people. And more than 30% of the respondents are subject to pressure from the community and must take responsibility for transfers that exceed their nominal income. This is particularly noticeable in the case of middle class households, for example minor functionaries.

Under such conditions, households subject to very high levels of community pressure are forced to find alternative sources of income, for example, through child labor or corruption. This is a means for them to meet their obligations. The research from the Abidjan school sheds new light on child labor and corruption because it incorporates an anthropological analysis of social structure. Paradoxically, it is urban middle class workers who are more involved in child labor than poorer people. Similarly, corruption is certainly a way to increase one's income, but there may be no direct benefit from it because it is needed to meet transfer obligations to other members of the community. These households are then very vulnerable to change, which can create a strong reaction. For example, this "overdose" of rights in regard to obligations could to a large extent explain the urban employee riots in Abidjan in 1990-1991 (Mahieu 2001). This analysis is in line with that of Scott (1976) on Southeast Asia. In his book, Scott undertakes a dual analysis: the behavior of peasant populations in the presence of cultural values and their demands for justice in the form of rebellion.

In the first analysis he points out that traditional economics teaching is based on the idea that populations act to maximize profit, but that this does not apply to peasant economies. Poor farmers are inclined to minimize their risk of loss, and their main aim is to secure a livelihood rather than take the risk of increasing their profit in a context of uncertain outcomes. It is now a common assumption in economics. This "safety first" behavior underpins the technical, social and moral organization of peasant economies. From this premise he formulates an ethics of subsistence. This subsistence ethic is firstly the acceptance that obtaining a minimum income is fundamental. From this standpoint, it is not a matter of turning the quest for safety into the necessity of satisfying vital needs. While a minimum income can fulfill vital needs, social and cultural issues should not be overlooked. For recognition as a full member of a village society, a household requires a certain level of resources, (a) to meet its social and ceremonial obligations and (b) to have enough food and to keep on farming the land. Not being able to attain this level of resources does not only incur a risk of starvation, but also a loss of position in the community or even a state of permanent dependency.

All the actions carried out by peasants revolve around cultural values. What traditional economic analysis neglects is not irrational or random behavior, but behavior that takes place within a social framework and via a social structure that establishes the possibility of moral requests for assistance. The ethics of subsistence is hence an analysis of the potential requests and corresponding obligations in a particular society. But it is also an ethics of responsibility and demand for justice, which is the second of Scott's analyses. Given the social structure in which peasants find themselves, they regard their requests for help as legitimate. They are also aware of injustices. All claims, whether by landowners, by the state, or by lenders that encroach on the minimum subsistence level, are considered illegitimate. These claims can however be accepted as long as they do not influence the attainment of the minimum subsistence level. Land ownership must also be distributed in such a way that this minimum level is reached. All violations of this principle may hence induce peasants to demand justice in different ways, including rebellion.

Like that of the Abidjan school, Scott's analysis offers a return to an anthropological analysis of social structures by way of people's rights and obligations. Systems of mutual aid do not correspond exactly to systems of mutual insurance, except in certain cases. They are representations of social

structures composed of the rights and obligations that individuals must take on as an integral part of their identities. Mutual insurance is therefore a special case where no obligations exist other than those that are agreed voluntarily. Compared to balanced reciprocity, the Scott/Abidjan approach merges into the structure of the reciprocity by attempting to understand the obligations that individuals have and the rights that others enjoy as a consequence. It therefore becomes interwoven with anthropology. The recent article by Baland et al. (2016) is a good example of how economics can make sense of these transfers by taking into account the place of individuals in the social structure of reciprocity, although the article does not explicitly refer to anthropology. Moreover, it seems to us that this is where anthropology can provide vital information to economists i.e. an understanding of the status and position of individuals within a community and the social structure that governs this community. Such anthropological knowledge will enable economists to better characterize their research.

What Could Be a Microeconomic Anthropology?

Our reading of inter-household transfers in economics urges us to reconceptualize people behaviors in economics. For that we propose a conceptual framework reflecting a form of contextualism that becomes operational through the notions of rights and obligations. By acknowledging this contextualism, we go beyond the debate between individualism and holism, a debate that has so rigidified the respective disciplines. We initially return very briefly to the debate in order to clear up any misunderstandings related to our approach: neoclassical microeconomic analysis being always considered as individualistic. Then we characterize what we mean by contextualism. Finally, we make the link between contextualism and the notions of rights and obligations.

On Methodological Individualism

The term individualism is imbued with multiple meanings that rely heavily on countries and their traditions (Weber 1949; Lukes 1971), but this is not our area of concern here. Our interest is in methodological individualism, so often used as the whipping boy for neoclassical economics. "Methodological individualism" was coined by Schumpeter. As Machlup notes (1978: 472), it was "a Schumpeterian innovation which was wholly successful in the sense that it was accepted by practically all modern economists as the distinction between political and methodological individualism." Although the Vienna school (von Mises, Hayek, Popper) insisted on the links between

methodological individualism, political liberalism and moral principles, the two forms of individualism are clearly different.

Dumont (1983) in particular characterized the debate between methodological individualism and holism. His views are notable because of the influence he has had among anthropologists, especially French-speaking anthropologists. For Dumont, methodological individualism takes individuals as its starting point and holds that society emerges from individual interactions, whereas methodological holism sees society as irreducible: each society is described according to its specific institutions and representations. This divergence appears straightforward, but it imperfectly reflects the methodological issues surrounding individualism. Methodological individualism is a form of reductionism which uses an explanatory ideal to "explain complex phenomena in terms of their simpler components" (Elster 1986: 22). It does not deny the existence of a supra-individual entity. Thus, in the phrase 'France fears Germany', the first reference to a supra-individual entity (France) should in principle be replaced by a reference to the fears of individual French people. In contrast, the second reference (to Germany) cannot be eliminated because - and insofar as - individual French people fear a nebulous, supra-individual, possibly mythical entity, which does not prevent such an entity from being a psychological reality (Elster 1986). Here methodological individualism is simply an explanatory reductionism rather than the denial of collective or social entities, as these entities mean something to individuals.

Elster also points out three misunderstandings that concern methodological individualism. First, methodological individualism neither implies a particular psychology of the individual nor any specific motivational theory, so there is no reason to assert the primacy of the rational over the irrational or selfishness over unselfishness. Second, individualism is not an atomist doctrine and therefore cannot be assimilated within political individualism, especially in its contractualist version. Methodological individualism leads to explanatory reductionism, whereas political individualism, with regard to the social contract, proceeds from a constructivist reductionism. Third, methodological individualism must be distinguished from ethical individualism. According to ethical individualism, the ethical evaluation of a society can only be undertaken on the basis of the happiness, rights and freedoms of individuals. In other words, what matters in the ethical evaluation of a society is satisfying the preferences of individuals, regardless of the reasons for these preferences.

Following on from Elster's assertions, it is clear that methodological individualism cannot be pared down to a conception purged of any reference to supra-individual entities, for example, social structures, as we argue later on. Indeed, supra-individual entities can be acknowledged as existing, and accepted as affecting individual behavior (individuals have to adjust their behavior accordingly) even within a methodological individualism framework. And yet, supra-individual entities are only meaningful because they become both a point of reference for individuals and a psychological reality. In other words, we can use a methodological individualism framework and consider that individuals are not outside the world: at any given moment and in any given place they are in the world. They have to abide by current social and moral norms which they cannot ignore, or at least, should they decide to ignore, they are aware of the probable consequences. They are hence able to make a balanced judgment based on the norms and the penalties that may result from noncompliance. The fact that individuals are in the world and that social and moral norms constrain them does not mean they are subject to the norms and forced to conform to them in an irrational way. On the contrary, an individual's rationality can cause him or her to make a balanced judgment based on the norms. And this is where microeconomic analysis comes back. But whereas the neoclassical microeconomic analysis is decontextualized, we have to consider what the supraindividual entities, like social structures, mean for individuals, and how they constrain them in their rational optimization. To sum up, we can assume a methodological individualism and consider that social structures should be taken into account as a constraint for individuals. We assume then a contextual microeconomic and we assume moreover that the context, i.e. social structures, can be described by obligations for individuals. What interests us, and what we will need to develop, is therefore the nature of the obligations and the behavior that relates to these obligations. But before we discuss the issue of obligations, we want to precise our anchoring in contextualism.

On contextualism

As we wish to emphasize the importance of context, we must clarify our position regarding the contextualist thesis. Generally speaking, contextualism is the idea that concepts only have meaning in their context. If I say "x is big" and "y is small", the concepts of big and small do not allow me to draw any conclusions about x with respect to y. If on the other hand I say "this zebra (x) is tall" and "that giraffe (y) is small", I cannot conclude that the zebra (x) is taller than the giraffe (y). So, when I declare that the zebra is tall I mean that it is tall for a zebra, just as when I say that the giraffe is small I mean that it is smallest in his team, I do not necessarily mean that Peter is small, as if small was able to mean something out of context. Peter may indeed be the smallest player in his basketball team and yet be taller than the national average for young people of his age. In contextualism, concepts are only meaningful in their context. Bhargava (2008) attempted to establish a consistent interpretation of contextualism for the social sciences: "One major aspect of

the contextualist thesis is the claim that concepts must be understood in their social context, and *a fortiori* that they are social in the sense that they are possible and sustainable only in a social context" (Bhargava 2008: 197). He simultaneously rejects individualism and holism, and considers that contextualism is one of the paths social sciences should follow. In his view, if we are to understand behavior, we should pay particular attention to social beliefs and practices.

Bhargava distinguishes two forms of contextualism. The first is a contextualist explanation. According to this interpretation, the possibilities of action are causally determined by social beliefs and practices. Behaviors are then analyzed as intentions mediated by the context that gives them a causal meaning. The second form of contextualism is a contextualist understanding. According to this second interpretation, social practices are understood collectively and in relation to one another. It is no longer a matter of introducing a causal relation, but of describing social practices and actions. From this standpoint, Bhargava rejects any reference to the individual entity. As he points out: "Though essentially non-causal, this is not a speculative inquiry. It is at once empirical and conceptual. Practices are collectively understood and described in relation to other practices, not explained in terms of any individual entity." (Bhargava 2008: 225).

Nevertheless, it seems to us that with this distinction, Bhargava has made the mistake of assuming that norms and social rules will bypass the individual. Such a position is obvious in the case of contextualist understanding, but it is also evident in contextualist explanation. Indeed, in contextualist explanation behaviors are analyzed, but these behaviors are caused by the context. This causal relationship leaves little room for individual choice. However, if social practices are historically anchored, and situated within a social context, they only become meaningful through the actions of individuals. But this also implies that individuals choose to follow these social practices. It is quite possible to situate oneself in a comprehensive (non-causal) contextualist perspective while recognizing the role of individuals. Comprehensive contextualism insists on the premise that people's actions give meaning to social practices. Evidently we cannot challenge the importance of the past in forging social practices, but we should not interpret the past as a given, surging forth without the input of individuals and yet causing individuals to behave in a deterministic way.

We can thus adopt a standard definition of social structure in anthropology i.e. a social structure is a system of relatively stable relations between individuals based on norms and values (Radcliffe-Brown 1940), while acknowledging that this structure is never rigid because people's actions will either carry it forward or not. People are in a world where social structures pre-date them, but the very fact that people exist places a constant tension on the stability of social structures. Social structures guide behavior, but they do not determine it.

12

The aim of comprehensive contextualism is therefore to recognize that people's choices and behaviors cannot occur outside a pre-existing context formed by social structures which have certain values and norms associated with them. People cannot escape this inevitability, but at the same time, they give it meaning through their choices and behaviors. From this point on it is no longer possible to conceal the fact that the individual cannot be bypassed.

In sum, we can assume that social structures (made up of values and norms) create obligations for people, but that the fulfillment of these obligations comes down to individual choice. From a methodological point of view, we are therefore interested in analyzing the importance of social structures in terms of the values and obligations they generate for individuals. Our aim is to incorporate these values and obligations into microeconomic decision-making.

On obligations

In comprehensive contextualism, a social structure is primarily a set of rights and obligations for people, and these rights and obligations represent constraints and opportunities in people's economic choices. Mahieu (2001) suggests, for example, that we should analyze the choices people make in relation to their rights and obligations at a given moment. By acknowledging comprehensive contextualism, it is possible to establish a microeconomic analysis which feeds off anthropology rather than disregards it. For example, the weight of obligations may be such that meeting them is a prerequisite for any form of choice. Unlike the optimization mechanism used in conventional microeconomic analysis, we have a sequential or lexical choice structure. Meeting one's obligations as an individual is a priority for consumption, but if the obligations are too demanding, individuals will look for ways to make them less onerous. They will sometimes adopt complex and costly strategies to hide their earnings and avoid having to transfer remittances to other members of their community or extended family (Baland et al. 2011; Dupas and Robinson 2011; Jakiela and Ozier 2012).

As well as avoidance, individuals can attempt to maximize the social return from their obligations. In his seminal book, *The Moral Economy of the Peasant*, James C. Scott (1976) shows how the ethical values of Southeastern populations revolved around the right to a subsistence living and the need for a mechanism of reciprocity. Samuel L. Popkins (1979), in *The Rational Peasant*, vehemently criticizes this by highlighting the existence of numerous opportunistic behaviors in the societies described by Scott. Indeed, when making a balanced judgment based on one's obligations, there is interference between an absolute respect for obligations and pure opportunism. Indeed, the moral obligations of an individual also create legitimate expectations for those who benefit from these obligations. Under such conditions, meeting one's obligations in a modest way may be an unprofitable strategy, as the beneficiaries and the wider community may deem that the individual concerned has failed to meet his or her obligations. It may then be preferable for this individual not to meet his or her obligations at all. Conversely, the individual may meet his or her obligations to a level which satisfies the community and hence allows him or her to stop. The individual will prioritize a reciprocity that guarantees future compensation regardless of the form this compensation may take. We can therefore assume that there is a return on obligations, and that meeting obligations can be determined through rational judgment. Unlike the debate between Scott and Popkins, the issue is no longer about individuals scrupulously meeting their obligations or being perfectly opportunistic, but about recognizing that individuals can make balanced judgments based on the obligations they have to meet. These judgments are a type of optimization. However, in this optimization, obligations remain a priority, but can be determined through balanced judgments.

Conclusion

Economic anthropology has always been a controversial field of research and this is perhaps because it has emerged as a hybrid form of economics and anthropology. Having undergone many transformations, notably under the influence of Marxism, it has remained decidedly macroeconomic in nature, delineating societies according to the production/reproduction processes, and indeed, its fall from grace may also be due to Marxism. In any case, it seems to us that economic anthropology could take its rightful place in developmental analysis, particularly in the form of microeconomic anthropology, as development economics has also evolved into development microeconomics.

Anthropology can provide economics with a better characterization of social structures, and show how these social structures forge constraints for the economic choices made by the individuals who are embedded in these structures. These constraints can be analyzed as obligations which individuals must meet, but also as rights for those individuals who may benefit from them. A good example is interpersonal transfers. This means that conventional microeconomic optimization must be expanded to account for the constraints and opportunities created by social structures. For this to happen, it will be necessary to properly characterize these structures along with the constraints and opportunities they generate. This requires an input from anthropology.

Beyond interpersonal transfers, many other factors that have been considered traditional to microeconomics must be subject to the same reasoning. For example, an individual's allocation of time cannot be understood in isolation from the obligations created by a social structure. It seems to

us, therefore, that this area constitutes a rich vein of research and should make it possible to better typify the behavior of individuals and their economic choices.

References

Baland, J.M, Guirkinger, C. and Mali, C. (2011). Pretending to be poor: Borrowing to escape forced solidarity in Cameroon. *Economic Development and Cultural Change*, 60(1): 1-16.

Baland, J.M., Bonjean, I., Guirkinger, C. and Ziparo, R. (2016). The economic consequences of mutual help in extended families. *Journal of Development Economics*, 123: 38-56.

Ballet, J. and Hamzetta, B. (2003). Le capital social comme protection sociale? Le cas de la Mauritanie. *Tiers Monde*, XLIV(175): 637-655.

Banerjee, A.V. and Duflo, E. (2011). *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*, New York: Public Affairs.

Bardhan, P., Ray, I. (2008). Methodological approaches in economics and anthropology. In: J.B. Davis, W. Dofsma (Eds.): *The Elgar Companion to Social Economics*. Cheltenham: Elgar Publishing Limited, pp. 427-456.

Beegle, K., Dehejia, R. and Gatti, R. (2006). Child labor and Agricultural Shocks. *Journal of Development Economics*, 81: 80-96.

Bhargava, R. (2008). *Individualism in Social Science*, New Delhi: Oxford University Press/India Paperbacks.

Bromley, D.W. and Chavas, J-P. (1989). On Risk Transactions and Economic Development in a Semiarid Tropics. *Economic Development and Cultural Change*, 37(4): 719-36.

Caldwell, J.C. (1965). Extended family obligations and education: A study of an aspect of demographic transition amongst Ghanaian university students. *Population Studies*, 19(2): 183-199.

Coate, S. and Ravallion, M. (1993). Reciprocity without commitment: Characterization and performance of informal insurance arrangements. *Journal of development Economics*, 40(1): 1-24.

Cox, D. and Fafchamps, M. (2007). Extended family and kinship networks: economic insights and evolutionary directions. *Handbook of development economics*, 4: 3711-3784.

Dalton, G. (1971). *Economic anthropology and development: essays on tribal and peasant economies*. London: Basic Books (AZ).

Dalton, G. (1962). Traditional production in primitive African economies. *The Quarterly Journal of Economics*, 76(3): 360-378.

Dalton, G. and Köcke, J. (1983). The work of the Polanyi group: Past, present, and future. *Economic Anthropology, Lanham, MD: University Press of America*, 21-50.

Dumont, L. (1983). Essais sur l'individualisme. Paris: Seuil.

Dupas, P. and Robinson, J. (2011). Why don't the poor save more? evidence from health savings experiments. National Bureau of Economic Research, Working Paper.

Elster, J. (1986). Marxisme et individualisme méthodologique. In: P Brinbaum and J Leca (Eds): *Sur l'individualisme*. Paris: Presses de la fondation nationale des sciences politiques, pp.60-76.

Fafchamps, M. (1992). Solidarity networks in preindustrial societies: Rational peasants with a moral economy. *Economic development and cultural change*, 41(1): 147-174.

Fafchamps, M. and Lund, S. (2003). Risk-sharing networks in rural Philippines. *Journal of Development Economics*, 71(2): 261-287.

Gertler, P. and Gruber, J. (2002). Insuring consumption against illness. *American Economic Review*, 92(1): 51-70.

Godelier, M. (1974). Un domaine contesté : l'anthropologie économique. Paris: Mouton.

Grimm, M., Hartwig, R., and Lay, J. (2013). Does forced solidarity hamper investment in small and micro enterprises? IZA discussion paper 7229.

Herskovits, M.J. (1941). Anthropology and Economics, a Rejoinder. *Journal of Political Economy*, 49(April): 269-278.

Herskovits, M.J. (1940). *Economic Anthropology. The Economic Life of Primitive Peoples*. New York: Knopf.

Hugon, P. (2001). Anthropologie et économie du développement ou la rencontre de Robinson et de Vendredi. *Journal des Anthropologues*, 84 : 37-52.

Jakiela, P. and Ozier, O. (2012). Does africa need a rotten kin theorem? experimental evidence from village economies. World Bank Policy Research Working Paper, (6085).

Jimenez de Madariaga, C. and Garcia del Hoyo, J.J. (2016). Social Anthropology and Economics: A Review of their Arrangements through the Concept of Economic Rationality. *Anthropologist*, 23(3): 522-530.

Kennedy, P.T. (1988). African capitalism: the struggle for ascendency. Cambridge: Cambridge University Press.

Kimball, M.S. (1988). Farmers' cooperatives as Behavior toward Risk. *American Economic Review*, 78: 224-32.

Knight, F.H. (1941). Antropology and Economics. *Journal of Political Economy*, 49(April): 247-268. Le Clair, E.M., Schneider, H.K. (1968). *Economic Anthropology, Readings in Theory and Analysis*. New York: Rinehart and Winston.

Lévi-Strauss, C. (1963). Structural Anthropology. New York: Basic Books.

Lukes, S. (1971). The Meaning of Individualism. Journal of the History of Ideas, 32 (1): 45-66.

Machlup, F. (1978). *Methodology of Economics and Other Social Sciences*. New York: Academic Press. Mahieu, F.R. (2001). *Ethique économique.Fondements anthroplogiques*. Paris: L'Harmattan.

Mahieu, F.R. and Odunfa, A. (1989). Droits et obligations à Daoukro, Côte d'Ivoire. Working paper, Séminaire d'économie publique, Abidjan: Université Nationale de Côte d'Ivoire.

Mahieu, F.R. and Odunfa, A. (1988). La différenciation sociale en Afrique de l'Ouest face aux droits et aux obligations. Working paper, Abidjan: Université Nationale de Côte d'Ivoire.

Meillassoux, G. (1975). Femmes, greniers et capitaux. Paris: Maspero.

Platteau, J.P. (1997). Mutual Insurance as an Elusive Concept in traditional Rural Communities. *Journal of Development Studies*, 33(6): 764-796.

Popkin, S.I. (1979). *The Rational Peasant: The Political Economy of Rural Society in Vietnam*. Berkeley and Los Angeles: University of California Press.

Posner, R.A. (1980). A Theory of Primitive society, with special reference to law. *Journal of Law and Economics*, 23: 1-53.

Radcliffe-Brown, A.R. (1940). On Social Structure. *Journal of Royal Anthropology Institute*, 70: 1-12. Ravallion, M. and Dearden, L. (1988). Social security in a Moral economy: An empirical analysis for

Java. Review of Economics and Statistics, 70: 36-44.

Scott, J. (1976). *The Moral Economy of the Peasant : Rebellion and Subsistence in South-East Asia*. New Haven: Yale University Press.

Shapiro, D. and Tambashe, B. O. (2001). Gender, poverty, family structure, and investments in children's education in Kinshasa, Congo. *Economics of Education Review*, 20(4): 359-375.

Terray, E. (1969). Le marxisme devant les sociétés primitives. Paris: Maspero.

Udry, C. (1994). Risk and insurance in a rural credit market: an empirical investigation in Northern Nigeria. *Review of Economic Studies*, 61(3): 495-526.

Weber, M. (1949). The Methodology of Social Sciences. New York: Free Press.

Cahiers du GREThA Working papers of GREThA

GREThA UMR CNRS 5113

Université de Bordeaux

Avenue Léon Duguit 33608 PESSAC - FRANCE Tel : +33 (0)5.56.84.25.75 Fax : +33 (0)5.56.84.86.47

http://gretha.u-bordeaux.fr/

Cahiers du GREThA (derniers numéros – last issues)

- 2018-02: VAN DER POL Johannes: Explaining the structure of collaboration networks: from firm-level strategies to global network structure
- 2018-03: DOYEN Luc, BENE Christophe : A generic metric of resilience from resistance to transformation
- 2018-04: DOYEN Luc, GAJARDOA Pedro : Viability standards and multi-criteria maximin
- 2018-05: EMLINGER Charlotte, LAMANI Viola: International Trade, Quality Sorting and Trade Costs: The Case of Cognac
- 2018-06: BONIN Hubert: Armateurs et négociants et la compétitivité de la cité-port de Bordeaux : les compagnies d'assurances maritimes dans les années 1830-1870
- 2018-07: V. TARIZZO, E. TROMEUR, O. THEBAUD, R. LITTLE, S. JENNINGS, L. DOYEN: Risk averse policies foster bio-economic sustainability in mixed fisheries
- 2018-08: ORSATTI Gianluca, STERZI Valerio: Do Patent Assertion Entities Harm Innovation? Evidence from Patent Transfers in Europe
- 2018-09: ROUGIER Eric, YOL Nicolas: The volatility effect of diaspora's location: A migration portfolio approach
- 2018-10: NAVARRO Noemí, H. Dan TRAN: Shock Diffusion in Large Regular Networks: The Role of Transitive Cycles
- 2018-11: CHIBA Fadoua, ROUILLON Sébastien: Intermittent electric generation technologies and smart meters: substitutes or complements
- 2018-12 : CHHORN Dina: Effect of Microfinance on Poverty and Welfare: New Evidence from 9 provinces in Cambodia
- 2018-13: BONIN Hubert: Les banquiers et les leçons de l'Histoire : lucidité ou aveuglement ?

La coordination scientifique des Cahiers du GREThA est assurée par Valerio STERZI. La mise en page et la diffusion sont assurées par Julie VISSAGUET