

PRIMITIVE TRADE RELATIONS: A PROPOSED SOLUTION

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Any pure or perfect market exchange is said to be “fair” because it is the result of unconstrained rational individual decisions. The ultimate expression of this fairness is found in prices which reflect the optimal cost and utility structures of individuals. If one applies this criterion of fairness to primitive societies, one may quickly conclude that economic “exchange” was usually unfair and based on irrational behavior: self-involvement and hedonism were repressed or unknown; relative prices were ignored, unknown or determined independent of cost and utility.

In this paper, we present an alternative way to understand the circulation of goods in primitive societies. Rationality and fairness prevailed, but these concepts were based on different socio-economic principles than that of *homoeconomicus* because of the different socio-economic organization of primitive societies. There was a definite social logic to trade relations and this logic can only be understood in the context of primitive social relations that embodied the economic practices of such populations.

The first part of this paper critically reviews the explanations predominant in the social sciences in explaining what is termed “exchange”: the hedonist approach and the altruist approach. These explanations rest on specific assumptions and methods of analysis that we counter with an alternative analytic framework. The second part of the paper provides illustrations that contradict the standard positions and points out some problems faced by any student of primitive societies. The third part introduces an alternative position, the hospitality approach, to explain the notion of fairness in tribal societies. The fourth section provides a framework to understand trade in tribal arrangements; trade had both social and economic aspects. A distinction between “trade” and “exchange” is made. Neoclassical theory, in its claim of universality, cannot distinguish trade and exchange, and does not specify the necessary conditions that must obtain if exchange is to occur. Here, we clarify the nature of exchange, distinguish exchange from trade, and argue that primitive trade was indeed rational, though the social context within which such trade took place takes it outside the realm of neoclassical theory.

But, prior to these analytic sections, a short disclaimer is necessary to explain why all this matters.

Why is this Issue Important?

Some might question the significance of attempting to understand and analyze primitive trade relations from an economic perspective. If trade seems to defy good economic logic, and the best one can do is to claim that institutional constraints prevented tribal societies from achieving what

most would perceive as optimal outcomes, then such an exercise would appear to be of little value. Or, as such relations were in the distant (and rather dim) past, what possible lesson could there be for modern societies?

We argue differently. There are three basic reasons for examining primitive trade, indeed, for examining primitive economies in general. Initially, such an examination calls neoclassical economic theory into question. If it can be demonstrated that primitive trade relations were rational, and this rationality was fundamentally different from that which lies at the core of neoclassical theory, it can be argued that the claim of neoclassical economists that their theory is of a universal, natural law nature is unfounded. Second, primitive economic organization was successful: the proof of this is our very existence which is predicated on the economic success of our ancestors. As it was successful, the economic arrangements, institutions, and social relations that constituted such societies and which were quite different than our own, provide a foundation from which to better evaluate current institutions, etc. that we consider normal and necessary for a properly functioning economy. Last, a demonstration that primitive economies were both rational and successful provides a theoretical foundation for change in current economic organization. Too often, critics of current economic structures and practices are faced with the question of how they would go about changing the world. What possible alternative structures and practices would they put into place? How could these possibly succeed? We suggest that there are alternatives to the economy that is held to be the “only” reasonable form of organization (for all its faults), but that any proposed alternative must have its foundations in early organizational and ideological structures. After all, while humans are a most inventive and adaptive animal, one cannot expect proposed alternatives based on, say, mathematical models that show no conformity to human proclivities to succeed. We cannot adapt our character, our ideology, our biological imperatives, our “human condition” to requirements imposed by a set of equations that satisfy mere mathematical tests of formal proof. But, drawing on the lessons of pre-civil societies allows us to pose alternatives that *must* be in conformity with *real* human possibilities. Such societies display a much greater degree of “natural” humanness than those of the last 6,000 years, as they functioned without the elaborate institutional structures (and strictures) we have developed to accommodate civil (class) society over that six millennia. In particular, as class societies are all propertied societies of one sort or another, and much of the institutional organization of class societies surround property arrangements, the study of primitive organization shows us what is possible in the absence of property and how property has altered—for better or worse—the way we live, the way we think, the way we relate to our fellow humans.

Generalized Exchange in Primitive Societies: The Hedonist and Altruist Approaches.

The hedonist and altruist approaches provide two different ways to explain “generalized exchange” (Takahashi 2000). The hedonist approach begins with individuals who are selfish and aim at minimizing pain or maximizing pleasure given constraints. The altruist approach starts with opposite premises regarding the nature of human beings but otherwise usually keeps the same framework of analysis: individuals can behave altruistically for hedonistic reasons. Both views also assume that knowledge of the psychology of individuals is a necessary precondition for the study of social organizations. That is, both proceed from an individualist methodological

perspective. We argue that the hypotheses and the method of analysis of these two approaches are fundamentally flawed and propose a different starting point to study primitive societies.

The Hedonist View: Generalized Exchange as an Insurance Mechanism

The hedonist view begins by assuming that scarcity is a state of nature:

Economic theory requires neither organized exchange markets nor monetary systems; it requires only that man live in a world of scarcity, forcing him to make marginal trade-offs between alternatives. This condition is inescapable, especially for primitive man (Johnsen 1986, 43).

As the quote makes clear, scarcity is said to hold for both practical and actual reasons in all economic systems. First, it is necessary to impose scarcity on the system in order to be able to use the utilitarian framework of analysis that is asserted to be what economics is all about (Hopkins 1957, 288). Second, unlimited wants and/or population pressure justify the assumption of scarcity in both relative and absolute terms (North 1981, 63; Posner 1980; Bailey 1992). Primitive individuals could only satisfy a very limited proportion of their unlimited wants, and the Malthusian curse forces primitive societies into a state of constant struggle in attempting to satisfy the most basic needs.

Given the assumption of scarcity, a hedonistic, anti-social behavior “is a matter of consequences rather than intention” (Posner 1980, 53, n.174; *Ibid.*, 5):

Any single participant must find it in his or her long-term individual interest to meet his or her obligations to others (Fafchamps 1992, 164).

’Tis not contrary to reason to prefer the destruction of the whole world to the scratching of my finger (Hume 1896 (1739), 416).

In a world in which there is no legal system and government in the form of a state¹ to enforce and protect private property, one is led to conclude that primitive individuals must have lived in a Hobbesian world of “war of all against all.” This is compounded by the lack of information mechanisms in primitive societies, making cooperation costly (North 1981, 53; Posner 1980). Indeed, there is a high risk of free riding as gains from cooperation cannot all be privatized and maximizing agents are always better off internalizing gains and externalizing costs. This leads to a prisoner dilemma outcome in which nobody cooperates and everybody is worse off, which, in the primitive stage of human history, translates into the tragedy of the commons (North 1981, 80-81; Johnsen 1986):

Suppose that land is communally owned. Every person has the right to hunt, till, or mine the land. This form of ownership fails to concentrate the cost associated with any person’s exercise of his communal right on that person. If a person seeks to maximize the value of his communal rights, he will tend to overhunt and overwork the land because

¹ Note that those authors assume that an effective government necessitates the existence of a state, i.e. “courts, legislature, police, prosecutors, tax collectors, or other familiar public officials” (Posner 1980, 9). Elders or chiefs may exist but they are not assumed to be effective in managing the affairs of the tribe so it is reasonable to assume that tribal societies did not have any form of government (Posner 1980). As shown later, this is at odds with historical evidence.

some of the costs of his doing so are borne by others. The stock of game and the richness of the soil will be diminished too quickly (Demsetz 1967, 354).

It seems, therefore, that livelihood in primitive societies must be quite miserable: “habitual raiding and warfare” (Bailey 1992, 185), violence, famine, and seclusion is the state of affairs that makes life “solitary, poore, nasty, brutish, and short,” as Hobbes put it. However, confronted with historical evidence, economists are puzzled to see that human beings and their ancestors have been cooperating in large groups for the last “5 to 10 million years” (Boyd and Richardson 1990, 113) and that crime rates among the primitive societies were “moderate...despite the absence of either formal investigative machinery...or compensatingly heavy penalties” (Posner 1980, 6). In addition, cooperation was usually so well organized that:

barring exceptionally unfavorable circumstances...traditional methods of controlling the risk of failing into distress have usually enabled the people to counter natural and other hazards in a rather effective way.... The well-established fact that people were very keen to avoid being expelled from their social group and that expulsion was viewed as the gravest possible sanction in any traditional village society suggests that the social protection it afforded its members was of utmost significance (Platteau 1991, 156).

In order to resolve this seeming contradiction between theory and historical record, the hedonist approach explains the emergence of primitive societies as a hunger insurance scheme, pooling the food output of independent anti-social individuals. Like any insurance mechanism, these schemes face two incentive problems: moral hazard and the better risk. Those for whom the net benefit of insurance is lower than the net benefit of self-insurance may select themselves out of the scheme.² Variable insurance premia and a screening process could resolve such problems but, because of the paucity and cost of information, these methods of selection are not available. Instead, the kinship group is used as a means of policing everybody’s behavior so that nobody cheats and also to mimic (seeming) generosity:

One way of reducing information costs is to create living conditions in which everyone knows everything about everyone else. The denial of privacy in a primitive society serves to enlist the entire population as informers and policemen (Posner 1980, 6).

This contractual view of society allows Posner, et al. to explain the enormous amount of observed “generalized exchange” between tribes and among tribal members: gifts, counter-gifts, feasts and other compulsory reciprocal mechanisms are equivalent to “insurance payments” that provide “some protection against the free-riding or moral-hazard problems” (Posner 1980, 16). Individuals *with surpluses* of food will give them away knowing that in the future they will be covered by others if they run into trouble:

Since a man’s surplus is assumed...to have relatively little value to him...the man who has a good harvest...is led...to give the surplus to the other (Posner 1980, 15, 33).

² The previous quote shows, however, that leaving a tribe usually was not an option: “better risks” existed only in the context of the tribe. By themselves, they would not have been able to produce a constant surplus, therefore, the net benefit of cooperation was very large and far outweighed the net benefit of self-insurance (which was close to zero or negative), creating an “almost absolute need for co-operation” (Platteau 1991, 136). In addition, individuals could not appropriate the output—it was not theirs—thus the notion of “better risk” is inappropriate.

The insurance mechanism works best as long as there are no complementary goods that can be exchanged for the surplus rather than to “buy hunger insurance with it” (Ibid., 10), which, again, shows well the precarious nature of the tribe as analyzed through the hedonist approach: there is no unity or bond between individuals; everyone is ready to default on the insurance contract any time it is possible.

The insurance scheme can also be used for political purposes. Indeed, chiefs emerge because they are “the abler and more energetic people” (Ibid., 19) who can produce surpluses on a regular basis, and can buy loyalty in exchange for protection and intimidate individuals to follow their rules. In order to increase cohesion, chiefs may also be tempted to use ideology to override the free-rider problem (North 1981, 31).

In the end, therefore, the creation of a tribe provides an exchange mechanism between tribes and among tribal members that substitutes for the market. While this hunger insurance scheme is not as effective as market arrangements, it does avoid the tragedy of the commons.

The Altruist View: Individual Altruism vs. Social Altruism

One way to face the Hobbesian state is to assume that individuals are altruistic so that concerns about the destruction of the world are of greater concern:

In the state of nature, nobody cares about other people. Fortunately, we do not live in this dismal state. Sometimes we take account of other people’s success and well-being, and are willing to sacrifice some of our own for their sake (Elster 1990, 44).

This perspective does not have a unique analytical framework in that, depending on the definition, altruism is either patched to the hedonist position or, in a clumsy way, to the hospitality perspective. In addition, even though this approach yields insights, its promoters have a tendency to use concepts appropriate to peasant societies (which existed within feudal structures)—such as “poor/rich” and “patron/client relationship”—in their analysis of tribal societies.

The first definition of altruism states that someone is willing to worsen his/her position in order to help others. This is the case either because utility suffers (behavioral/psychological altruism) or because fitness (i.e. gene transmission and propagation) suffers (evolutionary altruism) (Sesardic 1995). This definition conforms to the individualist, hedonist framework developed above. However, the altruist approach has been criticized by both the utilitarian and evolutionary theorists either by denying the possibility of its existence or by limiting its significance: all actions are self-interested and nobody behaves in a way that generates a net loss immediately or in the future. Thus, individuals may behave in what appears to be an altruistically manner, but it is for hedonistic reasons. In terms of utility, this is so because their preferences are such that giving something to others gives pleasure³ or prestige (Posner 1980, 14-15). We are back to an explanation of generalized exchange that rests on an insurance mechanism and/or ideology.

³ This utilitarian approach to altruism can be criticized on purely logical grounds as follows: “If I give \$100 to charity this may give me a pleasant feeling of being a generous person. But I cannot be pleased with this act of generosity if I know that my contribution was exclusively stimulated by the anticipation of this pleasure. For in that case I am not being generous at all, and

From an evolutionary perspective, “the utility of [the altruist] explanation is limited” (Takahashi 2000, 1108) because the origin of altruism is left unexplained: “why is there such a socialization pressure in a society?” (Ibid.). Scarcity should push individuals to be non-altruistic. A hedonistic explanation based on individuals’ sense of fairness due to the existence of a “giving gene” is argued to be more theoretically satisfactory. Genes push individuals to be altruistic but only in a narrow, individualistic sense: to give toward those that satisfy one’s criteria of fairness and, thus, to expect equal fairness in exchange (Takahashi 2000).

The individualist interpretation of altruism has been pushed to its opposite extreme via the cognitivist approach to generalized exchange. This approach argues that altruism is rational because it is necessary for survival. Given the pervasive Malthusian constraint, biological adaptation for survival leads rationally, via experiment, to altruism and so to generalized exchange. Altruism is combined with socially-sanctioned moral codes in order to strengthen the generalized exchange mechanism (Sesardic 1995, 144 ff.). However, as Sesardic notes, the cognitive approach stands at odds with the widely shared view in contemporary social sciences that “rationality considerations cannot move us to action by themselves, the main impulse always coming from some of our basic preferences that are completely outside the jurisdiction of reason” (Sesardic 1995, 146). (As argued below, we disagree with the contemporary view that individual preferences form the basis of behavior.)

The second definition of altruism states that individuals are “‘unselfish’ (or ‘altruistic’) when they feel and act as if the long-term welfare of others is important *independently* of its effects on their own welfare” (Jencks 1990, 53). This view of altruism is social, the point being to participate in social activities in the interests of the social organization itself. Individuals vote and give anonymously to charity because they want to participate in the life of the group. The immediate or future results may be good or bad for individuals but this just does not enter into their considerations. On the contrary, individuals behaving in the *homoeconomicus* fashion would be considered to be insane rather than “rational”; estimating the probability of being killed in an accident on the way to vote, etc. (Elster 1990). This social altruism applies to the circulation of goods between tribal members or among tribes: no rewards may be expected, or the motives of actions may not be the expectations of reward, or the reward may be inconsequential relative to the offer. As shown below, this form of altruism extends to more than the surplus individually produced and is provided even to complete strangers. Neither the hedonist nor the individualist altruist approach can explain this social act (Posner 1980; Takahashi 2000, 1129).

However, there are two main problems with this second definition of altruism. First, even though the idea behind this definition is right, using the name “altruism” to correspond to the idea is not correct. Jencks seems to be conscious of this and puts altruism in quotation marks. Altruism supposes that its opposite exists, i.e. people own the things they produce and they can decide what to do with them: individuals can choose not to give their food surplus by calculating the net

consequently I have nothing to be pleased with” (Sesardic 1995, 137). Simon (1993) also criticizes utilitarian altruism.

benefit of giving a “gift”.⁴ However, in primitive societies, the food surplus and the means of production are not privately owned (Platteau 1991). Thus, individuals have no sense of losing anything by transferring the food output; they are just “passing” the output produced so it can be redistributed; they are not “giving” it. Depending on the situation, a better name for this idea is hospitality or reciprocity which both reflect, in part, “enlightened self-interest” (Singer 1981, 42; Sesardic 1995).

It is here that the second problem arises and this applies to both the hedonist and altruistic views. Adherents of these positions presume that an understanding of individuals’ state of mind is a requirement for the analysis of survival mechanisms. Stated alternatively, they invert the main problem faced by early peoples, asking how the psychological or evolutionary set up of individuals can push them to cooperate for survival, rather than how the quest for survival pushes individuals to find way to satisfy their needs. Stated in Hobbesian terms, individuals may very much enjoy scratching their finger, but in order to do so the world must exist: destroying the world means also their own destruction and so preserving the “world” (the tribe and the environment⁵ surrounding it) must come before individual interests can be satisfied. Enlightened self-interest, or more appropriately wisdom or reason, does not assume anything about selfishness, altruism or any other presupposition regarding the behavior of an individual relative to other individuals. A wise individual, selfish or altruist, will experiment with all kinds of methods with all kinds of people in order to survive, and then to confirm which actions and behaviors are effective. Experience, not one’s view of others, will tell a reasonable person what to do:

Wisdom consists in making the best of things, in adapting oneself to inevitable circumstances (Briffault 1932, 124).

What is termed reason is the product of a long organic evolution governed by the functional necessity of living organisms to behave in accordance with the actual facts of their environment. The normal operation and function of human reason is therefore in the direction of securing that correspondence between thought and fact (Ibid., 222).

The inability to conform to experience will have negative consequences. This is even more obvious in primitive societies where those consequences are harsh and immediate: death is the certain outcome of the inability to organize effectively in order to provide a secure source of food and to face the harshness of a wild environment. Experience has shown to human beings that social organization rather than isolation is the best way to promote survival:

Man was always a social animal. Unless he had been, he would not have survived in the struggle for existence against beasts of prey and the rigours of climate (Robertson 1954, 11).

⁴ “Gift” is again an inappropriate term to explain the social relations prevailing in primitive societies, both because gifts usually entail reciprocity (Mauss 1923; Posner 1980, 16) and also because the individual giving does not own the gift.

⁵ Today the link to nature is less strong and direct, so individuals may not perceive this relationship, but this link is very strong for primitive societies whose members depended intensely on nature for both physical and spiritual needs.

As social animals, humans will—in the long run—effect change in conformity with experience. Thus individuals, whether selfish or altruistic, will do their best to preserve and develop effective social organization. The fact that some individuals are selfish, or lazy, or that some of them cannot tolerate one other, is of secondary importance, and these minor problems are dealt with via social control. Before developing this point in terms of trade relationships, we first establish the hospitality perspective.

Hospitality: An Alternative Point of Departure to Understand Primitive Societies.

Primitive societies do not face scarcity, in either relative or absolute terms. This, of course, does not deny that it may be difficult to find reliable sources of water and food, but the economic organization put in place via experience is able to provide for needs on a routine basis: there is no constant struggle in, nor anxiety about, meeting basic needs:

This is not to deny that a preagricultural economy operates under serious constraints, but only to insist, on the evidence from modern hunters and gatherers, that a successful accommodation is usually made (Sahlins 1972, 2).

Some ethnographers testify to the contrary that the food quest is so successful that half the time the people seem not to know what to do with themselves (Ibid., 11).

The notion of relative scarcity has been criticized by many authors:

If man's material wants are insatiable, then scarcity of enabling means exists by definition: no matter the absolute quantity of resources, they are scarce, that is, insufficient relative to the unlimited desire for the end products they produce.... If it is once seen that the degree of importance attached to material acquisition is most definitely determined by social institutions and values, then it immediately follows that the presence, absence, or existing degree of "scarcity" of enabling material means (in any society) also depends upon social, not physical, circumstances (Dalton 1961, 5; see as well Polanyi 1957a, 1957b; Hopkins 1957).

Relative scarcity is not an issue in primitive societies because they do not have infinite wants: infinite wants are the product of capitalist enterprises. Primitive individuals, therefore, are not constantly arbitrating between alternative wants. In fact, as shown below, there is much evidence that this way of proceeding is alien to them. What about absolute scarcity? Primitive societies did not face any population pressure for several reasons. First, if the food supply became more difficult to acquire, primitive societies simply moved to a more hospitable place; naturally rich areas abounded:

Certainly, hunters quit camp because food resources have given out in the vicinity. But to see in this nomadism merely a flight from starvation only perceives the half of it; one ignores the possibility that the people's expectations of greener pastures elsewhere are not usually disappointed. Consequently their wanderings, rather than anxious, take on all the qualities of a picnic outing on the Thames (Sahlins 1972, 30).

By moving, they, like any other animals, followed their food supply. Note that the overuse of nature was a possibility and a reason for moving—as would be the case for other species. However, this was not an intended outcome based on individual, utility-maximizing agents as in

the utilitarian approach, but caused by a lack of experience in relating to the environment. As they learned to manage their environment, depletion must have been reduced. Later, primitive societies invented agriculture and gained greater control over the food supply which reduced their nomadism:

Mankind are the only beings who may be said to have gained an absolute control over the production of food (Morgan 1877, 24).

When agriculture began to be combined with accumulation incentives, the first deliberate overuse of resources emerged and some entire civilizations did actually disappear because of this uncontrolled accumulation.

Second, if primitive societies grew too large to be manageable, some members left the tribal area, went into a neighboring region and developed trade relationships between themselves and the “mother” gens (Polanyi 1957, 88). In addition, a continuous control of the population of non-productive members was practiced to make the tribe more readily mobile or for survival reasons. Thus, old people may voluntarily let themselves die, or it may be:

...required of children to kill their parents when they have become so old as to be helpless and no longer of any use to the family or to the community. It would be considered a break of filial duty not to kill the aged parent (Boas 1901, 10).

Infanticide, senilicide, sexual continence for the duration of the nursing period, etc., (are) practices for which many food-collective peoples are well known. The presumption that such devices are due to an inability to support more people is probably true—if “support” is understood in the sense of carrying them rather than feeding them (Sahlins 1972, 34).⁶

⁶ The primitive practices surrounding infanticide and senilicide are often offered as illustrations of humans’ inherent ruthlessness, fitting readily the Hobbesian world so welcomed by neoclassical economists. As the above quote makes clear, these practices were exceptional rather than conventional and resulted from periodic shortfalls in output that one would expect in the absence of sufficiently advanced technology to cope with the vagaries of nature. In the interests of tribal survival, some, those who contributed little or nothing to production, had to be sacrificed. We should also note that infanticide, etc., is not limited to tribal society. These are characteristic behaviors of civilized (class) society as well. Such practices had nothing to do with tribal organization, social relations, culture, or ideology, but were simply acts to deal with emergency situations. Thus, in Europe, “there were ten devastating famines and thirteen plagues in the course of the tenth century. Cases of cannibalism were not uncommon; there were man-hunts, not with a view to plunder, but for food. It is on record that at Tournus, on the Saône, human flesh was publicly put up for sale” (Briffault 1930, 111). Further, while such practices may seem shocking or even bestial to some, we should remind ourselves that some current populations engage in these activities at a much greater level of efficiency in violence and without the rationale of insufficient output, but elicit little criticism or opposition beyond hand-wringing.

Given the absence of scarcity⁷, the world of primitive men is far from that depicted by Hobbes and others. “Wars” are rare and are not really wars but small, short conflicts in which death is a signal to stop rather than an encouragement for more slaughter. Indeed, the survival of tribes depends on the existence of social cohesion and the availability of productive members; therefore, it is best to settle conflicts by other means. In addition, neighboring tribes are comprised of kin-related individuals, providing a strong incentive not to kill one another: they are “brothers.”

It seems that violent appropriation is a resort born of urgent requirements that can only, or most easily, be supplied by militant tactics. Peaceful symbiosis is at least a common alternative (Sahlins 1972, 200).

Furthermore, low or zero growth rates do not imply that life is harsh. As we noted earlier, limited wants and population control eliminate scarcity so, even though they may have low levels of consumption, primitive societies are satisfied with what they do have:

Hunters and gatherers have by force of circumstances an objectively low standard of living. But taken as their *objective*, and given their adequate means of production, all the people’s material wants usually can be satisfied.... The world’s most primitive people have few possessions, *but they are not poor*. Poverty is not a certain small amount of good, nor is it just a relation between means and ends; above all it is a relation between people. Poverty is a social status. As such it is the invention of civilization” (Sahlins 1972, 36-37; emphasis in original).

Trade may generate a growth process (via the diversification of products available), but the latter is more a byproduct of a socio-economic organization the goal of which is the survival and reproduction of the society. In addition, while growth may occur, it is usually seen as irrelevant or ignored by economists because it’s not based on market transactions:

Upon closer examination, it may be discovered that some indigenous economies do indeed “grow,” but because the enlarged outputs need not pass through the market place nor be transacted via the market principle, the growth is either unperceived by Western observers or considered beside the point (Bohannon and Dalton 1962, 23).⁸

Given the absence of scarcity, we cannot assume that individuals are forced to be hedonists or forced to be altruists, or, even more importantly, that individuals are born altruist, hedonist, or anything else: their behavior and reasoning are socially conditioned (Boas 1901):

⁷ Most contemporary economists would argue that, in this case, it is not possible to use economics as scarcity is said not to exist. This conclusion is possible only because they assume a particular view of economic theory: alternative uses of scarce resources. Economics, however, may not be associated with this definition, but with the analysis of the methods for social provisioning (Dugger 1996).

⁸ In fact, primitive societies were responsible for all the technological developments that made civil society possible. In particular, it was in the tribal stage of development that agriculture arose, and the transition from gathering and hunting to food production was the signal event that allowed the formation of economic classes. See Childe, 1964 [1942], 33-96.

The whole mythology of civilisation requires that opinions, ideas, and beliefs should be thought of as the spontaneous and independent products of self-determined individual minds.... In point of fact the minds of human beings are manufactured for them in the social factory (Briffault 1932, 153).

Like any social organization, primitive societies had to effect a certain type of social conditioning in order to provide a group identity and to increase the effectiveness of cooperation in coping with survival needs. This sense of group identity is strong among humans even today, as Dawes et al. have recently shown:

We have...conducted a series of experiments over the past ten years, the results of which have led us, somewhat reluctantly at first, to conclude that the cooperation rate can be enhanced in the absence of egoistic incentives.... Our experiments have led us to conclude that cooperation rates can be radically affected by one factor in particular, which is independent of the consequences for the choosing individual. That factor is group identity. Such identity—or solidarity—can be established and consequently enhance cooperative responding in the absence of any expectation of future reciprocity, current rewards or punishment, or even reputational consequences among other group members.... We have eliminated all side payments...concerns with reputation...the possibility of reciprocal altruism. We nevertheless obtain substantial rates of cooperation (Dawes, et al. 1990, 99-100).

However, this group identity is much stronger in primitive societies and “individuals identify so completely with the group...that they do not even imagine the possibility that their private interest could diverge from those of the group” (Jencks 1990, 54). There is, thus “no sense of self” (Ibid.) and so, no possibility of selfishness: “they say of themselves ‘we’ as against all others, who are ‘they’” (Redfield 1947, 297, citing Sumner 1906 (1940), 13-14). This does not imply that there is no sense of individuality: each member has to learn to be autonomous, and by their early teenage years, individuals have learned to take care of themselves and to take initiatives in the best interests of the tribe.⁹

The social cohesion of tribal society is reflected in all of its institutional arrangements, ideological formations, and relations with non-kin organizations, as can be demonstrated by examining other important characteristics of primitive societies. First, work is rewarded and laziness is socially reprehended, especially when survival is at stake, so that “the frequent reference to the native’s inability to undertake sustained or difficult work have obviously run counter to the fact” (Hawthorn 1949, 94). One central problem of the primitive hunger insurance scheme, thus, is not an incentive problem, but a covariant-risks problem (Platteau 1991). The observed scattering of fields, cattle, and food production can be explained in this way rather than by the motive of selfishness—they improved the cooperation mechanism by limiting the possibility of total destruction of resources. Second, property rights are nonexistent. What exists is the right of possession. People could control the land and other means of production so long as they used them in the interests of the community—land was not alienable. Individuals may be provided individual allotments but they cannot not sell them and have to work them sufficiently well so that the needs of the tribe can be met. With the development of agriculture and the

⁹ Sahlins (1960) notes that this was a precondition for marriage that usually occurred before puberty.

domestication of cattle, and given the optimality of scattering, the first forms of private property and accumulation did emerge, but, initially, in the interests of the social organization:

Therefore, only certain forms and a certain extent of private (and, of course, collective) capital accumulation are allowed and these often serve the function of diversifying risks...or enhancing the group's social security. (Platteau 1991, 160)

Only at a very definite state of cultural evolution has the man become an owner of transferable and fundable property, and in a position to drive a bargain.... That position was attained only when he became owner of domesticated cattle, his first form of property. (Briffault 1927, vol. 2, 218)

The emergence of private accumulation, however, does not imply the emergence of a drive for accumulation. Such a perspective could only have developed at a latter stage of agricultural and pastoral development when nomadic behaviors became progressively rarer. Indeed, "mobility and property are in contradiction." "wealth is a burden" for nomads (Sahlins 1972, 11). Thus, our analysis will remain at the stage where private property does not exist or exists only in the context of the social goal of survival. Finally, and related to the previous point, in primitive societies there is no notion of territory. Indeed, tribes are usually nomadic at first so they had no territory *per se* to protect. However, even if they do have a territory, it "...is never exclusive. Individuals and families may shift from group to group, especially in those habitats where food resources fluctuate from year to year and from place to place" (Sahlins 1960, 7). Kinship, rather than territory, is the organizing principle of societies:

The experience of mankind...has developed but two plans of government, using the word *plan* in its scientific sense. Both were definite and systematic organization of society. The first and most ancient was a *social organization*, founded upon gentes, phratries and tribes. The second and latest in time was a *political organization*, founded upon territory and upon property. (Morgan 1964 [1877], 60; emphasis in original)

As Leslie White (1964) informs us, this distinction is fundamental to the understanding of the organization of primitive societies.

Status, rather than class, explains social stratification. Status is obtained by behaving in the interests of the tribe, does not entail privilege, is not hereditary, and can be modified:

All members of a gens were free and equal, the rich and the poor enjoying equal rights and privileges, and acknowledging the same in each other (Morgan 1964 [1877], 196).

Primitive societies are classless societies: There is no political class and no religious class. There is no political class for two central reasons. First, anyone can become a "chief" (or more appropriately a "leader") by becoming older (thus, "wiser") and showing "good behavior:" experience, generosity,¹⁰ skills in work, skills in management and consensus-building, etc. were

¹⁰ This characteristic is usually put forward by the hedonist and altruistic approaches as the only factor involved in the selection process. However, one has to note that a wide variety of other factors enter into consideration, and generosity cannot be the only one that makes an individual a potential leader if this generosity was based on a forced accumulation of a surplus. In addition, generosity does *not* reflect the existence of "rich" and "poor" people: food output was collectively owned (even if individually produced), and the means of production were in the

central factors determining who could become chief. Second, the chief is subject to the rule of tribal members, can readily be deposed, and gains no privilege from being chief:

The men who lead the band are the wiser and older. They are not, however, respected for their ability to commandeer limited supplies of desired goods. On the contrary, generosity is a necessary qualification for prestige.... A second qualification for leadership is knowledge—knowledge of ritual, tradition, game movements, terrain, and the other thing that control social life. This is why older men are respected.... Knowledge of itself breeds little power. The headmen of a band can rule only by advice, not fiat (Sahlins 1960, 10-11).

Skill in work was...a condition of political leadership (Hawthorn 1949, 92).

Although the office was nominally for life, the tenure was practically during good behavior, in consequence of the power [of the members of the gens] to depose [their chief] (Morgan 1964 [1877], 69)

There is no religious class because there is no religion. Magic prevails and magic differs from religion in that it can be practiced by all and there is no god that presides over humans (Frazer 1930). Rather, there are entities (“spirits,” including dead ancestors) that are part of the natural world and need to be respected:

In the one case there is ritual, but not worship; in the other the ritual is part of the worship of supposed external beings—gods. This is the difference between magic and religion properly so called (Robertson 1954, 13).

Totemism differs from mature religion in that no prayers are used, only commands. The worshippers impose their will on the totem by the compelling force of magic, and this principle of collective compulsion corresponds to a state of society in which the community is supreme over each and all of its members.... The more advanced forms of worship, characteristic of what we call religion, presuppose surplus production, which makes it possible for a few to live on the labour of the many (Thomson 1965, 49).

Magic is a way of making people believe they are going to get what they want, whereas religion is a system for persuading them they ought to want what they get (Childe 1947, 37).

As the above statements make clear, magic indicates that the clan (or tribe) exercised collective authority over not only its individual members, but also over the spirits who ostensibly served in a mediating role with natural forces. Religion connotes the existence of a supernatural force over which people have no control, indicative of a form of social organization in which some dominate others.

The consequence of all the above is that the tragedy of the commons is not an inherent consequence in primitive societies.¹¹ Commons and individual allotments have to be used wisely for the benefit of the whole tribe, and individuals have incentives to work for both economic and

nature of possessions rather than property (as argued above). True, some people may have more possessions than others, but the law of hospitality, as described below, acted as final equalizer.

¹¹ Even though it is theoretically possible that “the tragedy” occurred because of lack of experience in how deal with the natural environment.

social reasons. In addition, their strong ties to nature and the accumulation of experience induced by failure to use the natural environment wisely also made primitive individuals, if not by default (due to magic), at least by necessity, primitive ecologists. All the previous information makes sense once one recognizes that the main problem faced by primitive individual is that of finding ways to ensure survival. This applies to primitive societies both based on early agriculture, and on hunting and gathering.

All this is important because, as shown below, these social factors influenced the trade relationships that existed among tribal members and between different tribes. The question then, becomes how to explain the circulation of goods among tribes and tribal members if selfishness or altruism are not involved, if scarcity is nonexistent, if there is no domination of one group over another, if growth was not a direct objective, and if economic and social reproduction were the main concerns of tribal arrangements. In order to explain trade, we argue that the notion of hospitality is central.

Primitive Trade—Some Illustrations and Some Problems

Prior to developing illustrations of tribal trade relations based on case studies, ethnographic material, first-hand accounts of European colonists and merchants, coupled to inferences drawn by anthropologists and archaeologists, let us first briefly discuss some problems that arise in hypothesizing about primitive tribal trade.

Initially, much of the evidence is based on post-contact relations between representative of an established class society and tribal (or semi-tribal) peoples where those representatives were familiar with institutions suitable for class societies (property rights, commercial exchange, etc.), but could not be knowledgeable of arrangements and relations that were features of the social organizations they were observing. The tendency, then, was to “translate” various observable features into terms with which they were familiar and, thus, could understand. Hence, chiefs are converted into kings, ceremonies based on magic (or totemism) were seen as forms of religion, etc. Such translation obviously distorts the reality of tribal society and various modern authorities have warned us about such distortion (Brose 1994, 232-4; Dalton 1971, 167; Earle and Ericson 1977, 9-10). It is worthwhile quoting Lewis Henry Morgan, representing an older, sometimes more thoughtful, authoritative figure on precisely this issue:

When we have learned to speak of the American Indians in language adapted to Indian life and Indian institutions, they will become comprehensible. So long as we apply to their social organization and domestic institutions terms adapted to the organizations and institutions of civilized society, we caricature the Indians and deceive ourselves (Morgan 1967 [1876], 70).

The second problem, clearly connected to that above, is that such contact changes the organization being recording (and, possibly, alters the recording organization, but that’s a quite different issue). Hence, it is conceivable that the observations recorded that serve as the raw data from which evaluations are then developed are *ex-post* observations that, again, distort the very information that is necessary in order to draw sound conclusions regarding “pristine” tribal organization.

The third problem is that a great deal of evidence is not drawn from those organizations that we actually want to examine and evaluate. Rather, it comes from societies in a transitional stage between tribal and class society. In the literature, such forms of organization are usually referred to as “chiefdoms” or “Big Man” systems in which hierarchical relations exist but where these are not yet consolidated in a full-fledged feudal (or other) form of organization. These are the early “bronze age” economies. (See, Earle 2002, 28-33 ff.; Blitz 1993, 2 ff.)

The problem encountered here is that such transitional economies contain within them features of the older, egalitarian societies from which they evolved, but modify these features to accommodate the unfolding hierarchical structures (and add new forms of organization as well). Hence, we cannot simply collect such evidence and ascribe these data to “primitive” society. We must attempt to ferret out the original characteristics from the clutter of extant chiefdoms through inference coupled to the scant information we have about previous, “stone age” economies.

The fourth problem is encountered in drawing evidence from archaeological artifacts. These are, without question, important, but, as Torrence reminds us:

the archaeological record (is) neither a direct reflection of behavior...nor a simple distortion of reality....archaeological data consists (sic) of static, dead facts which have to be converted into processual statements about human behavior by means of inference” (Torrence 1986, 1. See also, 50, 226-7).

That is, while we have literally tons of artifacts left by early peoples, these, in themselves, tell us little, if anything, about how those peoples were organized, their social or production relations, their modes of distribution, etc. Again, we must infer such important arrangements through a theory that incorporates such artifacts into a cogent argument that explains these leavings of early human groups.

What *do* we know about primitive trade relations? The overriding conclusion reached by those who have examined the evidence, and this regardless of the specific region studied, is that early trade was *not* trade in quantitative equivalents. Whatever the reasons for and basis of trade among early societies, there is no indication that the trading bodies were concerned with assuring that the rates of trade were based on some measure that would assure “equal exchange” (Irwin-Williams 1977, 141). In fact, as we shall demonstrate below, quantitative equivalence would be incomprehensible to early peoples.

Further, and this follows from above, trade was not (and could not be) based on a cost-benefit calculation. The evidence runs counter to such a conjecture, favored by those representing the “formalist” school who approach these and other questions from an economizing, neoclassical theoretic approach. (See, Popkin 1979; Runnels 1985, for example.) Rather, archaeological, anthropologic, ethnographic data demonstrate what seems to be a marked disdain or ignorance of such a calculation (Anderson 1999, 155, *passim*; Cherry 1985, 14; Torrence 1986, 228.) Rather, “reciprocity” of a non-quantitative equivalence nature establishes the basis of early trade (Welch 1991, 14, *passim*; Wells 1980, 74). In fact, Wells states that, from the vantage point of a modern commentator, primitive trade rates were “nonsensical” (Wells 1980, 75). They varied widely and appear quite “odd” to those whose view of rationality is based solely on conventional exchange relations of current economic organization.

To illustrate: in his examination of trade relations among southwestern Indians, and between Indians and European merchants, Anderson, in line with those investigating other regions of the world, has found that:

Goods passed from hand to hand based on the principle of “exchange,” a concept that placed value on objects based on morally defined relationships rather than profit. The exchange of goods often defined alliances and political hierarchy and brought prosperity to native people, who, in turn, would be depended on to defend the land, the resources, and the political order on which production relied (Anderson 1999, 5).

While we take issue with Anderson’s choice of the word “exchange,” it is clear from his examination that early trade had no relation to supply-demand considerations, cost-return factors, or any other economic relationship that would allow trade to be cast into a modern framework. Rather, exchange rates were indeterminate (Ibid., 35). Southwestern Indians conducted trade differently depending on different circumstances. Among some tribal groups, goods were swapped based solely on availability; however, should one tribal organization encounter another situated in a poor resource area (and, thus, poor themselves), trade consisted of goods flowing one way only, the poor tribe’s contribution to trade was solely the maintenance of good relations (Ibid., 33). “Fair value of the sort consistent with markets only occasionally existed when prestige goods came into play...” (Ibid.; see also 32, *passim*). When trade with the Spanish became normalized, we do see the establishment of regularized trade rates, but these were in the form of “price lists” (with deerskins as the standard of value) that were clearly intended to hold for extended periods of time—if not “forever” (Ibid., 170). Indeed, with rising costs of Spanish goods, it became impossible to hold to previously established price lists and when Spanish merchants attempted to explain why relative prices had to be modified they were rebuffed by Indians who argued that the previous arrangements were in the form of a promise in which “profit had no place” (Ibid., 173). (An examination of the specific trade rates indicates that relative costs and prices were irrelevant in establishing these administered prices. See, page 35, for instance where a report from de La Salle’s trade mission indicates that buffalo hides were traded for knives at a rate of “one [hide] for a knife, and [they] would have given many more, but that we told them that we had no conveniency [sic] to carry them.”)

That Anderson’s account represents the usual state of affairs is confirmed by authorities reporting on other regions. In his examination of early trade patterns of obsidian in the Aegean, Torrence concludes that even in the early complex (hierarchical) societies, one cannot find organized, commercialized exchange (Torrence 1986, 218-9). Even when it is clear that one population was in control of the resource base (supply), this did not seem to preclude other populations from gaining direct access to that resource. “Ownership,” in other words, is irrelevant in early trade relations. It has also been observed that New Guinea trade in axes is carried out without reference to labor expended in production and the return in non-axe goods (Ibid., 228). Trade between Greeks and central Europeans in the early Iron Age demonstrates that it is “unrealistic to imagine the exchange of ‘equivalent’ amounts of Greek and central European products” (Wells 1980, 74). In Australia, among the aboriginal population. “...objects unprocurable except in some districts are obtained by exchange of gifts without any conception of exacting equivalent values or of getting the better of a bargain and making a profit” (Briffault 1927, Vol. 2, 213-4). Reporting on the work of Finley, Wells also observes that in the Macedonian-Greek trade in timber, the Macedonian king either fixed a price or simply provided wood freely (Wells 1980, 74). Even where hierarchical societies have evolved, as in the

Macedonian case above, and there is an active trade in “primitive valuables” (or prestige goods associated with chiefdoms or “big man” social structures), “(c)onsiderable variability characterizes primitive valuables, and in some cases it is difficult to establish relative values among categories” (Earle 2002, 22).

Data from early hierarchical societies allows one to infer more about trade relations that existed prior to the formation of such organizations. Again, we see marked similarities among these societies independent of their geographical location.

As the older, egalitarian structures were giving way to class societies, “big men” came into control of various goods and used this control to assist in their consolidation of political power. These goods, however, were not those of basic subsistence, but were of a nonutilitarian, prestige variety – bronze battle axes, high quality, extensively decorated ceramics, jewelry crafted of precious metals, etc (Earle 2002, 293-324; Welch 1991, 134-78; Wells 1980, 139ff). Such goods required not only the development of highly skilled, specialized artisans, but also control over production (or these goods would lose their prestige value).¹² Prestige goods did enter trade relations with other chiefs, but, again, the relative rates of trade do not conform to modern conceptions of rationality.

We also find many cases where stocks of surplus food were controlled by chiefs (Welch 1991, 14). Food is clearly not a prestige good, and the (initial) purpose of such control was quite different than that surrounding prestige goods. Rather, these stocks were designed to serve as a buffer against production irregularities caused by environmental conditions (rainfall and the like), and were distributed by chiefs to support tribal members in need. That is, they did not enter into trade relations and nothing was expected in return for these goods. As Sahlins noted in his discussion of hospitality, “...there is the principle that one does not exchange things for food...among friends and relatives. Traffic in food is traffic between foreign interests” (Sahlins 1971, 216). As we shall see below, this is an important consideration in seeking a solution to primitive trade rates and the notion of rationality in egalitarian societies.

A good statement to serve as a summation to the above illustrations (that could be multiplied many hundreds of times) is provided by Mair in his study of African economic organization:

(H)ow many goats he would give for a cow were not relevant to the primitive Muganda, who would rarely, if ever, be in a position where he would have to make the calculation. Trade was to him a means of acquiring specific objects for which some need arose, not a perpetual process of increasing his total possessions by profitable exchange. ... (T)he native’s estimate of his goods does not depend on a reckoning of the alternatives which he has gone without in order to secure them, nor yet on their potentialities as a source of gain.... But it is not possible... to estimate the Baganda scale of values by one single standard.... (D)ifferent commodities are valued from points of view so different that the values cannot be reduced to a single common denominator, and one must be content

¹² One would also expect to see greater uniformity among the specific objects. Full-time craftsmen producing specialized products would develop skills and technology of a standardized nature. Part-time village producers manufacturing goods for utilitarian purposes would have neither time nor the interest in raising their skill levels to such a level. See, Torrence 1986, 43-8.

simply to mention those to which, for any reason, particular importance is attached. When these reasons are given, it is seen that there is little conscious comparing of values as between different commodities, and that such questions as the quantity of one commodity which it would be worth while to sacrifice in order to obtain another do not enter largely into economic calculations....(T)he possession of most goods is prized for its own sake rather than for the sake of other goods which might be acquired by disposing of them (Mair 1965, 144-6).¹³

Hospitality and the Notion of Fairness in Primitive Relations

It has been empirically demonstrated that primitive trade could not have been based on some idea of quantitative equality. No such standard can be found by which to measure such equality. Further, given the limited quantitative reasoning powers of primitive populations (see below), it would be impossible for them to have arrived at such a measure. There was no need for quantitative reasoning beyond some rudimentary stage of development, and such a standard for trade relations would have violated social standards of acceptable behavior, endangering the very existence of these societies. Further, the evidence is very clear that trade was not organized around the principle of economic gain, regardless of the form in which that gain would appear—profit, utility, etc. Neither neoclassical theory, the labor theory of value, just price theory, or any other theory of a modern variety can explain the seemingly random nature of tribal trade that carried over, in modified form, into early hierarchical societies.

Tribal and pre-tribal organizations were structured around the principle of hospitality, defined by Lewis Henry Morgan as the “final equalization of subsistence” (Morgan 1965 [1881], 45). The Moravian missionary, John Heckewelder, explains the principle clearly and cogently:

Whatever liveth on the land, whatsoever groweth out of the earth, and all that is in the rivers and waters flowing through the same, was given jointly to all, and every one is entitled to his share. From this principle hospitality flows as from its source. With them it is not a virtue but a strict duty.... They give and are hospitable to all without exception.... They rather would lie down themselves on an empty stomach than have it laid to their charge that they had neglected their duty by not satisfying the wants of stranger, the sick, or the needy....Every man, woman, or child in Indian communities is allowed to enter any one's lodge, and even that of the chief of the nation, and eat when they are hungry, provided misfortune or necessity had drawn them to it. Even so can the poorest and most worthless drone of the nation, if he is too lazy to hunt or to supply himself; he can walk into any lodge, and every one will share with him as long as there is anything to eat. He, however, who, thus begs when he is able to hunt, pays dear for his meat, for he is stigmatized with the disgraceful epithet of poltroon and beggar (Heckewelder, in Morgan *Ibid.*, 49-51).

¹³ It might be noted that failure to understand primitive trade (and other) relations by colonial authorities has caused great harm to tribal populations, even when those authorities seemed to be well intentioned in their attempts to integrate these populations into the dominant society. See, Hawthorn 1949 for examples of this in the Canadian context. Bracken 1997, is also exceptionally illuminating in this regard.

Lest one think that Morgan, basing his main argument on his examination of the Iroquois Confederacy, generalized (and romanticized) his observations to a universal level, we point out that Morgan had studied all the (mid-nineteenth century) literature on tribal society then available to him, and his position on hospitality has been supported by subsequent research. (See, Briffault 1927, Vol. 1, 635-40 for extensive citations. Stannard 1992, contains many illustrations of hospitality among the American Indian populations. As well, see Morgan 1965 [1881], 42-62, for extensive commentary on reports of early European contacts among tribal societies of the Americas.)

Hospitality was a social institution designed to facilitate the collective health of the tribal population. It “guaranteed” (within technological constraints) the right to subsistence of all, regardless of their specific contribution to the production of output. Clearly this would have to be the case with regard to children. Children cannot contribute to production, but must be fed, clothed and housed to allow them to survive to maturity and thus produce in the future so the tribe can continue to reproduce itself. The elderly would be entitled to subsistence, in part because they were previous producers and in part because they carried with them the history of the tribe and were considered its wisest members. Among the producing portion of the population, some were physically more capable than others. And, while the division of labor was not nearly as extensive as that to which we’ve grown accustomed, there was some such fragmentation and this meant that some would contribute more to output than others simply because of the nature of the tasks they performed. All this was irrelevant to a tribal standard of fairness. All *did* contribute (or would contribute or had contributed), the tribe benefited as a whole from these contributions, and all, being equal members in terms of rights and obligations, were entitled to share in the output produced.

Hospitality established the standard for the economic relations of primitive society. Everyone was expected to contribute to the production of the output that everyone consumed. Consumption was based on need. In the social act of consumption, just as in the production process, equality could not be understood in quantitative terms. In addition to the obvious fact that children require less food intake than adults, those engaged in different tasks required different caloric intakes. Hunting demands a much greater numbers of calories than sedentary tasks. If hunters were constrained to the same food intake of basket makers, the hunting production process would suffer and output would fall; less food would be available in the next period leading to even fewer animals killed, and so on. In other words, mathematical equality, even if it could obtain, would be socially dangerous. Equality based on need, however, best ensured the health of the population and best allowed for successful population growth and survival of the tribe.¹⁴ And this equality and consequent claim on output was a *right*.

We also see hospitality as a cornerstone of general behavior among primitive peoples. In the Heckewelder quote above, it is expressly noted that hospitality was not considered a virtuous act, but rather, one of obligation. As it was not a virtuous act, it could not be a basis of self-interested

¹⁴ Here, we border on entering a long-standing (and often heated) debate regarding the evolutionary selection process among human populations: does selection work at the individual level or the group level? For the purpose at hand, it is not necessary to develop a position on this matter, but see Field 2001, 93-120, *passim*, for a succinct review of this literature.

behavior: no individual providing hospitality would be viewed as currying favor with the recipient in order to gain advantage. Moreover, while any individual would be provided hospitality, those perceived as lazy would be treated with social opprobrium. Such collective compulsion was designed to condition people to a socially-conscious work effort in the interests of the community. Finally, good manners were paramount in primitive organizations:

If a man entered an Indian house, whether a villager, a tribesman, or a stranger...it was the duty of the women of the house to set food before him. An omission to do this would have been a discourtesy amounting to an affront. If hungry, he ate, if not hungry, courtesy required that he should taste the food and thank the giver.... It was an active, well-established custom of Indian society, practiced among themselves and among strangers from other tribes, and very naturally extended to Europeans when they made their first appearance among them (Morgan 1965 [1881], 60-61).

Hospitality, therefore, was simply an expression of proper human behavior. Costs, utilitarian considerations, other matters considered important (and necessary) by economists were simply not factors underlying the principle of hospitality:

Food...must always be made available to others on pain of ostracism; the scarcer it become, the more readily it must be given away, and for nothing. In addition, food and other things are often shared to promote friendly relations, utilitarian considerations notwithstanding (Sahlins 1960, 12).

Hospitality is not to be confused with charity. In fact, hospitality and charity form two opposite poles on the gradient of distribution. Hospitality is a right claimed by all members of a collective (clan or tribe). As it is a right, it implies equality among these members, the absence of privilege held by some. None have the prerogative to withhold hospitality. Charity, on the other hand, connotes inequality, a superior-inferior relationship in which one not only has the right to withhold charity, but also places the recipient in a disadvantaged position. Briffault makes this clear:

The abject humiliation and degradation inflicted by private charity help, moreover, by sapping the last remnant of self-respect, to break the spirit of the idle and destitute and thus to avert the dangers which might else arise from their despair.... Let destitution, hunger, misery, and despair look for relief to charity. Let them not ask for justice (Briffault 1963 [1936], 70).

Early humans, as all humans, would have developed their understanding of and views on social relations from those with which they were familiar.¹⁵ As hospitality reigned inside the tribe (or clan), it would have been—and certainly was—extended to non-tribal (non-kin) members.

¹⁵ Indeed, there are reports of tribal members, accustomed to this institutional arrangement, being surprised and angered by the lack of hospitality among civilized populations. Morgan, for example, reports the experience of Canassatego, an Ononadaga chief, who traveled to Albany on official business. “You know our practice. If a white man...enters one of our cabins, we all treat him as I do you. We dry him if he is wet, we warm him if he is cold, and give him meat and drink that he may allay his hunger and thirst; and we spread soft furs for him to rest and sleep on. We demand nothing in return. But if I go into a white man’s house at Albany, and ask for victuals and drink, they say, ‘Where is your money?’ And if I have none, they say, ‘*Get out, you Indian dog*’” (Morgan 1975 [1851], 329. Emphasis in original).

An Alternative View of Tribal Trade

In this final part, we draw on the illustrations and hypotheses previously presented and couple these with the concept of hospitality in order to provide an explanation of how trade ratios were possibly established. We deliberately use “trade” rather than “exchange” or “barter” to specify the circulation of goods between tribes and among tribal members because the nature of trade is completely different from that of exchange:

Traditional precapitalist societies are the domain of non-commodity (gift) exchange defined as ‘an exchange of inalienable things between transactors who are in state of reciprocal dependence’ (Platteau 1991, 119).

The aims of trade are both economic and social—guaranteeing the reproduction of the tribe and promoting social cohesion—but do not go through market processes, even “as if.” Exchange and barter only have an economic goal set within a competitive system: making profit¹⁶ and accumulating faster than others.

Tribal and pre-tribal societies could not engage in exchange. Exchange requires private property rights in the goods exchange, economic gain as the purpose of exchange, and equality in the exchange process in the sense that all parties must be in agreement that the exchange rate is “fair” (or, they would not agree to the exchange). Moreover, any party to exchange has a right to withhold goods if the relationship seems to disadvantage that party: exchange must be voluntarily entered into, connoting that exchange can be voluntarily terminated if the estimates of costs relative to benefits are deemed “irrational.”

Tribal society satisfied none of these requirements. Rather, trade, based on the principle of hospitality had to satisfy quite different requirements. As the means of production were collectively controlled (though there might be limited right of possession), goods available for trade were not privately owned. The principle of hospitality, assuring a right of subsistence, precluded the sale (or exchange) of goods for economic gain. As hospitality was designed to satisfy need (not wants or demand), there could be no sense of trade on the basis of equivalence. Finally, trade could not be voluntarily refused on the basis of some economic calculation of costs relative to benefits. Trade relations were determined on quite different grounds and were considered obligations as an outgrowth of the obligation of hospitality.

In addition, early humans could not engage in exchange because exchange requires calculation. If exchange is to be rational, there must be a calculation of costs and revenue. This requires a numeric sense, and such a sense (beyond some rudimentary level of notching sticks to count lunar periods) was absent in pre-class societies. Counting (and calculation) emerges when there is a need to count. In the tribal period, nothing in peoples’ existence required such an ideological

¹⁶ By “making profit” we mean that the difference between revenue and cost is positive and that the aim of individuals is to maximize this difference. Posner (1980, 17) criticizes Dalton’s opinion that the profit motive is absent by changing the meaning of “profit”: of course everybody “profits,” i.e. benefits from trade (either economically or socially), but the profit motive is absent in trade—there is no calculation of cost, no calculation of revenue, and so no comparison of cost and revenue.

leap. Schmandt-Besserat (1992) demonstrates this point with a wealth of information, showing that counting is inextricably connected to writing, and the development of writing is an aspect of early class societies, made necessary given the needs of Mesopotamian, Egyptian, etc. ruling classes in imposing their economic, political, and social order.

Lastly, exchange relations would have been impossible in primitive economies as exchange requires self-interested behavior. As argued above, tribal and pre-tribal peoples did not—and could not—exhibit such behavior as there was no concept of “self,” and, thus, no proclivity to seek individual advantage—the objective of exchange relations.

Several authors have provided an explanation of trade in different types of societies. For example, Sahlins analyzed trade relations in tribal societies while Polanyi studied trade in archaic societies (i.e. class societies in which market transactions were developing and emerging). They first note that trade operates on a different basis than either that of the Marshallian short-period analysis or the Walrasian analysis:

Anyone cannot just get in the act, enter the lists against people of his own side in quest of the exotic goods offered by visiting strangers. Once under way, usually in fact beforehand, trade is an exclusive relation with a specific outside party.... Where trade is handled through partnerships, exactly who exchanges with whom is prescribed in advance.... There is no evidence anywhere, so far as I know, of competitive bidding among members of a trading party for the custom of each others partners; there is only the occasional observation that it is expressly forbidden. Haggling, likewise, where it is practiced is a discrete relation between individuals, not a free-for-all (Sahlins 1972, 298-299).

Nonmarket trade...is in all essentials different from market trade.... The traders ...were not merchants in the sense of persons making a living out of the profit derived from buying and selling, i.e., price differentials in regard to the transaction at hand. They were traders by status, as a rule by virtue of descent or early apprenticeship, in other cases maybe, by appointment.... [T]heir revenue derived from the turnover of goods on which a commission was earned. This was the original source of all “profit”.... [T]he chief difference between administrative or treaty trade...and market trade...lies in the trader’s activities themselves. In contrast to market trade, those activities are here risk-free, both in regard to price expectations and debtor’s insolvency. (Polanyi 1957a, 19-21)

Therefore, even though the impact of the availability (“supply”) and needs (“demand”) of goods may play a role in the conduct of trade and the determination of rate (as shown below), they are not driven by market principles but by survival, kinship, honor and mutual respect; all of which are features of hospitality.

One essential characteristic of trade that has been noted by anthropologists and ethnographers is that customary rates are fixed at levels that ensure economic and social reproduction:

Every transaction...has a coefficient of sociability demonstrated in...its rates by the implied willingness to live and let live ... (Sahlins 1972, 303).

Prices took the form of equivalencies established by authority of custom, statute or proclamation (Polanyi 1957a, 20).

Trade that served to restore self-sufficiency was ‘in accordance with nature’; trade that did not, was ‘contrary to nature’ (Polanyi 1957b, 82).

Another thing noted is that trade partnerships play a definite role in the regulation of trade. Once a trade relationship is established, a party should always respond to the trading call of the other, even though the latter has nothing of interest to trade with the former: “partnership is not merely the privilege but the duty of reciprocity” (Sahlins 1972, 309). The partnership is dissolved when one cannot satisfy the needs of the other for an extended period of time:

...imbalance is resolved by pressure on trade partners rather than exchange rates.... [T]he social side of the transaction, the partnership, absorbs the economic pressure (Sahlins 1972, 311).

One may also assume that partnerships developed in parallel to a progressive strengthening of kinship relations, especially if the partnership is durable, making trade a strong binding activity in which each tribe recognizes the other as kin who need to be taken care of.

Given the preceding characteristics and the framework presented previously, one can readily understand how trade ratios are established from a purely economic point of view. Let us take two tribes, A and B, with the same level and structure of population. Let us say that, given their physical environments, A can grow corn while B can make clay pots. In addition, let us say A needs clay pots in order to transport water and mill corn, and B needs corn to eat. The problem faced by each tribe is to find the fair trade ratio. Given that survival is a primary concern in trade relationships, a straightforward answer is that the ratio depends on the needs of each tribe over a period of time (let us say daily¹⁷). Let us say that 10 clay pots and 5 bags of corn are needed each day by each tribe. The fair rate is thus .5 bag of corn for a clay pot. If populations are different and so needs differ—say that tribe C makes clay pot and needs 4 clay pots and 1 bag of corn daily—then trade ratios with A are established by matching needs given specialization: 5 bags of corn for 4 clay pots or 1.25 bags of corn for a clay pot. This difference in needs may be the only characteristic that explains why customary rates differ between tribes that trade similar goods.

There are several important points to note here. First, trade is not performed between individuals but between tribes (via representatives) so the interests at stake are not necessarily in accordance with each individual. As we have stated earlier, however, individualism is not a characteristic of primitive societies. Second, the daily rate does not imply that tribes have enough of each good to sustain themselves between trades. Indeed, the absolute quantity of each good may not be sufficient, given population levels. However, survival is the principle that drives trade because daily rates are set on the basis of needs. So if absolute amounts are sufficient, all tribes will survive. Finally, in the preceding context, there is perfect information about the needs of each other which can ultimately be checked by the evolution of the population: if a tribe sees its population decrease it may be because trade ratios are not fair enough and so must be adjusted. Over time, fair trade ratios will change with the composition and size of population.

¹⁷ Tribal societies had more primitive notion of time than days, months, years. Surely the period between two full moons, or other natural signs are more appropriate spectrums for establishing time.

Another important point to note is that arbitrage decisions do not enter into considerations. Say that A could get all the pots it needed from B at a far better rate of trade than that with C. It will still continue to trade with C if C calls for trade. Utility and cost analyses are foreign to trade relationships and their participants. Utility is an individualist concept that has no place in the social arrangement of tribes, and the limited and complementary needs of tribal people. As to cost, primitive societies have no clear understanding of effort and time (as these require measurement and calculation), so such variables would be not only an unreliable basis for trade, but irrelevant in any case: cost is beyond the point of trade because of trade's social bases. This partly explains why one finds trade ratios that have no relationship to the labor content and may seem exploitative from this point of view, even though they are not from the point of view of tribal peoples (Sahlins 1972). Thus, Mair notes "...the failure of the Baganda to make those calculations which are assumed as inherent in the nature of 'economic man'" (Mair 1965, 151-52). Mair also describes how tribal arrangements in a region of Africa were changed by European occupations. Therefore, the (repressed) haggling that Sahlins notes to exist in the description of primitive societies may actually result from the intrusion of class societies.

As stated earlier, the essential reason why all this holds is because of the societal system in which people live: economic considerations are embedded in socio-political considerations, which leads to behaviors that may seem silly to us.

Trade may also occur for pure social aims, and, in this case, the ratio of trade may be a mark-up or a mark-down relative to that considered fair by economic needs alone. This is so because social trades are not based on needs so that availability alone determined what was traded. For example, an important characteristic of partnership is that generosity is calculated in the context of reciprocity. Indeed, generosity is part of the socialization process, but one should avoid being too generous because this could embarrass the other party who could not afford to reciprocate given the customary ratio. One way to avoid such a situation is that each tribe puts itself in the shoes of the other tribe and determines "the relative utility to the other party of the goods he gives, and in addition to the labor he has expended himself, the work also of the other" (Sahlins 1972, 307). If one may disagree with the way Sahlins presents the idea the basic principle is sound: one tries to establish durable friendly relations that may develop into kinship relations. However, hospitality, which promotes generosity and seeks to expand kinship, is a much more satisfactory way to understand this behavior and why in some situations nothing is ever expected in return. This would explain those situations in which "trade" is of a unidirectional nature, where the resource-poor tribe is simply provided with goods and nothing is expected in return, other than friendship or, potentially, alliance.

Hospitality also provides the foundation from which to explain other illustrations of "irrational" trade patterns. For example, southwestern Indian tribes conducted trade with the Spanish on the basis of "price lists" that were deemed to hold "forever." This would be in keeping with the standard practice of establishing trade ratios based on need that would change only after long periods of time as need would be more or less constant for long periods of time. As well, we observe that the trade in metallic knives was conducted on the basis of one buffalo skin for one manufactured, utilitarian knife ("and they would have given many more"). From a modern, exchange perspective, this ratio appears clearly unfair: tribal members are being disadvantaged. From the tribal perspective, the ratio is irrelevant: they needed knives, the Spanish needed

buffalo hides (and there were plenty of these), so any “rational” quantitative measure of fair trade was irrelevant.

The older, long-standing principle of hospitality extended through early class societies. When we observe a Macedonian king setting price lists that are designed to hold in perpetuity or simply providing timber without the expectation of goods in return, we’re seeing an extension, modified to be sure, of hospitality. As noted, it took a very long time to override hospitality in trading patters and to convert trade to exchange where prices reflected equivalence.

We also note that exchange makes its first appearance not on the basis of subsistence goods, but “prestige” goods that are not of a utilitarian nature but, rather, appropriate only (or primarily) to establish the credentials of “big men” and members of a ruling class. Even in these cases, “(c)onsiderable variability” in valuation appears to be the rule as it would take many generations to break from the older traditions.

Sahlins’s explanation of generosity in terms of a Hobessian world in which “[e]xchanges are peacefully resolved wars, and wars are the result of unsuccessful transactions” (Lévi Strauss, quoted in Sahlins 1972, 302) is not satisfactory on the basis of the theoretical framework we have established, nor on the basis of the facts of primitive trade as they are known. It assumes that trade is a confrontational matter in which each party is only concerned with its own interests in a world of scarcity, territory, competition and domination:

In trade, moreover, the context of the confrontation is the acquisition of utilities; and the goods, as we have seen, may very well be urgent. When people meet who owe each other nothing yet presume to gain from each other something, peace of trade is the great uncertainty (Sahlins 1972, 302).

We have called this form of interaction “exchange” not “trade,” and have argued that the former, and the conditions it presupposes, does not conform to the characteristics of primitive societies.

Conclusion

To understand primitive trade, one must understand hospitality, and in order to understand hospitality, one must break loose from the hypotheses and method of inquiry of the standard economic and anthropological schools. If one attempts to explain trade from any modern, exchange-oriented perspective, that explanation will either run afoul of reliable information we have of such trade patterns, concludes that primitive trade was simply irrational, or so distorts the nature of tribal society that it appears basically the same as modern capitalism.

We have argued that primitive trade can only be explained through understanding the social relations of primitive society. The key to these relations is the principles of hospitality, a unifying, collectivist principle that generated a fundamentally different ideological outlook than that associated with modern individualism. When the principle of hospitality is understood, primitive trade relations can then be understood. And, rather than being irrational, they then are seen as perfectly reasonable and in keeping with the requirements of populations who are dependent on kinship, generosity, peace, and good will for their survival.

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