Moving beyond post-development: facilitating indigenous alternatives for “development”

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Abstract: Using the example of smallholder oil palm production in Papua New Guinea the paper illustrates how elements of a market economy and modernity become enmeshed and partly transformed by local place-based nonmarket practices. The persistence, even efflorescence, of indigenous gift exchange in tandem with greater participation in the market economy challenges conventional notions regarding the structures and meanings of development. The introduced market economy can be inflected to serve indigenous socio-cultural and economic goals by place-based processes that transform market relations and practices into nonmarket social relationships. These kinds of inflections of the market economy are common and widespread and therefore worthy of consideration for their theoretical insights into processes of social and economic change and meanings of development. The paper concludes by outlining some preliminary thoughts on how development practice could be modified to provide more scope for this process of inflection so that development strategies accord better with indigenous socio-cultural meanings of development.

Key words: gift exchange; rural development; nonmarket development; cash crop production.
Introduction

In the 1990s the notion of modernization and development came under sustained criticism in the social sciences (e.g., Hobart 1993; Nederveen Pieterse 1994; Crush 1995; Escobar 1995; Mehmet 1995; Rahmen and Bawtree 1997; Rist 1997; Esteva and Prakash 1998). These critiques, sometimes labeled ‘postdevelopment’, have challenged the reductionism, universalism and the emphasis on western concepts of rationality contained in both modernization theory and structuralist perspectives of capitalism. Postdevelopment differs from earlier critiques located in the discourse of the structural imperatives of a hegemonic capitalism in which noncapitalist alternatives are destroyed or subsumed in a dependent relationship with capitalism (see below). Some postdevelopment writers have argued that the straitjacket imposed by structuralist and functionalist discourses of development deny other economic imaginings. The solution, for some postdevelopment thinkers, is the rejection of development and the discursive creation of new ways of thinking about the South (e.g., Escobar 2001).

Postdevelopment’s rejection of development is paradoxical for two reasons. First, the rejection of all development denies possibilities for improvements, for example, in health, education and material well-being. Second, by rejecting development outright, development is essentialized and portrayed as homogenous and the same everywhere (Nederveen Pieterse 2000; Corbridge 1998). As Corbridge (1998, 139) notes, ‘development doesn’t only come in one size or shape, or with an overbearing capital d. The tricks and turns and dilemmas of development, and development thinking, are more complicated than post-development allows’. Further, as Nederveen Pieterse (2000) notes, postdevelopment’s critique of an essentialized development ends without revealing concrete directions forward.

In this paper I argue that one way forward for postdevelopment thinking is to engage more fully with the expanding literature on nonmarket economic relations associated with gift exchange and the social embeddedness of economies, the latter pioneered by Karl Polanyi in the 1940s and 1950s. Exploring the economic and social logics of gifts and social embeddedness opens up new ways of thinking about development that have the potential to lead to new economic imaginaries of development. By using gift exchange and Polanyi’s framework of social embeddedness of economies as lenses through which to examine socio-economic change in so-called transitional societies, it becomes possible to imagine a diversity of socially and culturally embedded place-based socio-economic practices that offer an alternative to structuralist and functionalist conceptions of development. To achieve this aim I examine smallholder oil palm production in PNG where Papua New Guineans on land settlement schemes and rural villages produce oil palm for multinational companies. In my examination of smallholder oil palm production I pose several related questions. What drives people’s engagement and involvement in oil palm production? What are the forms and terms of this engagement and their relationship to place? And, what do the forms and terms of this engagement reveal about structures and meanings of development as embedded in place?

To answer these questions I explore how smallholders’ relationships with each other and with a large ostensibly capitalist development can be transformed or recast by
place-based practices to create an alternative modernity which in practice bears little resemblance to the idealized notions of market economic relationships and the economically rational, utility-maximizing individual. This entails disentangling the economic logics operating at these sites of ‘capitalist’ production by examining how the complex of economic logics is constituted and embedded in place and how they relate to and interact with each other to form but one example of an alternative modernity. This reveals how the putatively economic is made social as the market relations commonly associated with commodity and labor exchange are recast as nonmarket social relations.

To assist with the disentanglement of economic logics and the social embeddedness of oil palm production the paper approaches these issues by exploring the respective social meanings of commodity and gift exchange. The commodity-gift framework offers a useful tool to analyze the complex of economic logics, because gifts appear to be the very antithesis of commodities. Commodity exchange is usually perceived to be a non-social act involving the exchange of objects between people (usually individuals) who are in a relationship of reciprocal independence. Further, the objects of exchange (commodities) are alienable in the sense that the transaction does not entail any future obligations and nor does it alter the relationship between the parties making the transaction. Gift exchange, on the other hand, is very much a social act concerned primarily with the creation and maintenance of personal and group relationships and the construction of identities (Gregory 1982). In gift exchange the objects of exchange are inalienable in the sense that the gift often embodies some obligations that alter the relationship between the parties to the transaction.

By employing the commodity-gift framework, I seek to highlight how the existence, even efflorescence, of gift exchange in tandem with greater participation in oil palm production challenges conventional notions regarding the structures and meanings of development. I show how the market relations of commodity exchange can be subsumed to alternative economic logics that better serve indigenous socio-cultural and economic goals through a process in which market relations are transformed into gift relations through place-based practices. I argue that these kinds of inflections of what are often assumed by external observers to be market relations are common and widespread and therefore worthy of consideration for their theoretical insights into processes of social and economic change and meanings of development in so-called transitional societies. To conclude, I outline some preliminary thoughts on how development practice in the PNG context could be modified to provide more scope for this process of inflection so that a range of alternative economic imaginings/modernities become possible which accord better with indigenous socio-cultural meanings of development.

Critiques of Development

Recent postdevelopment critiques of modernization and development are the latest variant in a long history of critiques of development ranging from, for example, populist ideas of self-reliance in the writings of Julius Nyerere, Lipton and Schumacher, to structuralist perspectives such as dependency theory, articulation of
modes of production and world systems theory (for a review see Kitching 1989; also Peet 1991; Slater 1993; Blaikie 2000; Sidaway 2002). Structuralist approaches still contain the notion that the economy is determinant in the last instance, thus downplaying the role of local agency and limiting possibilities for alternative conceptions of economy.

Structuralist perspectives construct capitalism as a unitary and hegemonic force and accord it an autonomous logic that functions independently of society. Thus, in the 1960s and 1970s structuralist interpretations of PNG’s development trajectory argued that the penetration of global capitalism would result in the destruction of noncapitalist societies and their cultural infrastructure. The general consensus (e.g., Rowley 1965; Epstein 1968; Finney 1973) was that Papua New Guinea was on the road to incorporation within the global economy, and accordingly indigenous social structures would be transformed as the capitalist mode of production displaced pre-existing noncapitalist modes. Emerging cargo cults were said to reflect this transformation. They were claimed to be symptomatic of ‘adjustment’ as old world views were replaced by new ones (Guiart 1951a 1951b cited in Cochrane 1970; Worsley 1957; Lawrence 1964). Incipient class structure was reported – tribal societies were being replaced by a rural proletariat, primitive capitalists or a stratified peasantry (e.g., Epstein 1968; Meggitt 1971; Finney 1973; Howlett 1973; 1980; Brown 1979; Amarshi et al. 1979; Donaldson and Good 1978; 1981; Gerritson 1981).

Thus, earlier models tended to discount the possibility for the persistence of ‘precapitalist’ economic forms (e.g., Rowley 1965; Epstein 1968; Finney 1973), except within the context of serving capitalism’s interests (e.g., Wolpe 1980; Fitzpatrick 1980; Meillassoux 1981). For instance, in the Meillassoux/Fitzpatrick model, analysis is at a macro level with the noncapitalist village sector reduced to a “black box” within which labor for the capitalist mode of production is reproduced (Carrier and Carrier 1989, 12; see also Hill 1986, 16). While articulation theorists recognize social formations in developing countries are composed of a number of modes of production (e.g., workers may be involved in capitalist and noncapitalist relations as peasants and workers), the social formation is dominated by the capitalist mode of production, economically, ideologically and politically (Bettelheim 1972 cited in Peet 1991).

Such structuralist interpretations of the workings of capitalism imply a loss of autonomy at the local level and have established a discourse of capitalism as an analytically autonomous economy subject to its own internal logic. This is one of the key differences with recent critiques of development that tend to emphasize indeterminancy and peoples’ capacity to shape social formations. Postdevelopment, in particular, has highlighted how conventional discourses of development have ‘created a space in which only certain things could be said or even imagined’ (Escobar 1995, 39).

Recent critiques employing noncapitalist perspectives on the economy can be grouped broadly into three sets of overlapping ideas including the globalization as hybridization work of Nederveen Pieterse with its links to David Simon’s concept of posttraditionalism; Gibson-Graham’s (1996) challenge to capitalocentric discourse to create spaces for noncapitalist economies; and, the rapidly expanding literature on the social embeddedness of economies. I outline each of these briefly below.
The globalization as hybridization critique challenges the notion of a universal capitalist script. This critiques the common view of globalization, whether centered on capitalism or modernity, as an historically inevitable process of homogenization of culture and economy, in which globalization becomes modernization as Westernization – a process originating in the West. Nederveen Pieterse (1994) counters this view by arguing that globalization of the economy can be described empirically as a process of hybridization involving an intermixing or interpenetration of diverse economic logics giving rise to hybrid socio-economies. In this view, place as socially and culturally constructed becomes important for shaping patterns of interaction at the local level. Agency is therefore recognized and the assumption of a hegemonic capitalism is undermined. In a related vein Simon’s (1998) work on hybridization, which he terms ‘posttraditionalism’, emphasizes indigenous precolonial and premodern values in shaping contemporary postcolonial economies (see also Nabudere 1997). In doing so, Simon points out that indigenous precolonial values, social structures and identities have persisted in many parts of the former colonial world although, to varying degrees, altered and overlain by modernist, colonial and postcolonial experiences, values, and practices.

The globalization as hybridization critique has made a useful contribution to theoretical debates by circumventing the Eurocentrism and capitalocentrism of globalization as modernization/westernization and recognizing possibilities for alternative economies/modernities. However, an uneasy dualism remains. The notion of hybridity creates a sense that the capitalist economy can be viewed as something pure and distinct from other economic logics, but becomes hybridized when it is overlain with noncapitalist economic logics in the developing world. Thus, by implication, it is possible for capitalism to exist independently of other economic logics in, for example, the Western world. Capitalism in the developing world, therefore, is less pure because of its contamination with noncapitalist economic logics. Capitalism is still conceived of as a distinct and integral mode in its own right and as something outside society. The other two major strands of thinking to which I now turn undermine the very idea of a pure capitalist or market economy.

Building on the poststructuralist Marxism of Resnick and Wolff (1987), Gibson-Graham (1996) reveals how a capitalocentric discourse of a capitalist hegemony constitutes capitalism as monolithic and naturally dominant in which noncapitalist practices (in the formal, informal and household economies) are viewed as being in a subordinate and dependent relationship with capitalism and thus less able to reproduce themselves (1996). This, Gibson-Graham (1996) argues, makes it impossible to think about social reality differently as all forms of economy are understood and interpreted in relation to capitalism. Employing an anti-capitalocentric discourse by highlighting the fissures and counterlogics within capitalism they seek to make visible those noncapitalist class practices and relations that have been obscured by a capitalocentric discourse. By destabilizing the concept of a singular, hegemonic capitalist economy, they open up concepts of economy to include unpaid non-market and noncapitalist activities to contribute to innovative forms of economic policy and activism.
By highlighting the presence of the capitalocentric discourse in most theories of the economy (even in some recent thinking in postdevelopment – see Escobar 2001), Gibson-Graham shows how different social and economic realities remain hidden, and possibilities for alternative economic imaginaries become impossible. This has implications for a development practice that has been grounded largely on the image of a western market economy. Gibson-Graham’s work has parallels with other perspectives on economies that give greater consideration to the social.

The third major strand of work on the social embeddedness of economies is also serving to destabilize some of the common assumptions regarding the workings of market capitalism (for an overview see Zukin and DiMaggio 1990). Karl Polanyi (1944; 1957) pioneered this approach and it is useful to return briefly to his ideas for they have much relevance for the present argument (for an overview of Polanyi’s work see Block 2001; 2002). His ideas have influenced a great deal of current research in geography and the social sciences more broadly (see, for example, Jessop 1999; Crang 1997; O’Neill 1997). Here I focus on those aspects of his work that are relevant to the present argument.

Polanyi’s key insight was the notion of the always embedded economy. His idea of embeddedness came from the realization that land, labor and money are not true commodities in the sense that commodities are things produced for sale in the market. Labeling them ‘fictitious commodities’, Polanyi explained that they must always remain embedded in society for their complete subordination to the market would lead to economic breakdown and the destruction of society. With respect to labor, the state needed to enact various labor laws and regulations, public health and education that helped limit the exploitation of labor. For land, Polanyi emphasized protection of farmers to maintain a stable food supply at reasonable prices where dramatic income fluctuations are ameliorated to keep farmers on the land. For money, the rise of central banks stabilized the banking system and smoothed the growth of the money supply. In other words, for the economy to function it must be embedded in law, politics and morality.

Polanyi’s view of the always embedded economy means that how an economy is constituted depends on the way it is embedded in society. Thus different forms of social embeddedness will give rise to different types of economies, both in western market societies and in the low income countries of the South. A variety of market societies are therefore expected, and the notion of economic forces shifting aberrant market economies towards an archetypal market economy becomes redundant.

The second major insight, related to the first, is that for an autonomous economy to function according to its own internal logic, actors must be motivated primarily by economic factors. Yet, as Polanyi demonstrates the embeddedness of economic action suggests that actors, whether employers or workers, are motivated by a range of logics. This is borne out by recent literature on social embeddedness which challenges the presumed social neutrality of economic transactions and decision-making (e.g., Amin and Thrift 1992; Thrift 1994; 1996; Leyshon 1997). Such research has revealed how social networks of personal contact are important for the transmission of business information and knowledge (e.g., Amin and Thrift 1995; Yeung 1994; Thrift and Olds 1996) and generating trust in economic relationships
Therefore, the idea of an impersonal, neutral arena for commodity exchange is subverted as the social basis of exchange is exposed (Swedberg 1994). Thus exchange transactions are embedded in social relationships, and, in turn, such relationships influence patterns of commodity exchange.

The notion of the social embeddedness of economies is evident in Mayfair Yang’s (2000) fascinating study of the emergence of ‘hybrid’ economies in China’s rapidly industrializing Wenzhou province. While her use of the term ‘hybrid’ implies an unnecessary form of dualism given the social embeddedness of all economies, her insights make a useful theoretical contribution to my argument. Briefly, in rural Wenzhou ‘an interrupted native tradition of household and market economy and the introduction of overseas capitalism have released the forces of a ritual economy’ (Yang 2000, 486). The ritual economy had been almost extinguished in the twentieth century through economic impoverishment, official corruption, government attempts to eradicate “backward” peasant customs and religions, and state collectivization of the peasant economy (2000, 486-492). During the current phase of large-scale capital investment in Wenzhou, a ritual economy of expenditure has blossomed alongside a booming industrial economy. As Yang points out ‘the case of Wenzhou “ex-peasant” households shows that they are entirely capable of high economic productivity and maximizing their household enterprize incomes, but it is often in order to compete in giving part of their wealth away in ritual expenditures.’ (2000, 493, my emphasis).

Mayfair Yang points to the similarities of present day rural Wenzhou with nineteenth century North American potlatch ceremonies where wealth, generated through wage labor and trade, enabled indigenous groups to engage in large-scale gift giving and ritual destruction of wealth objects. In contemporary rural Wenzhou large-scale industrial development using foreign capital has facilitated a resurgence and expansion of nonmarket logics: ritual exchange is flourishing despite a long period of political suppression of the ritual economy and in the midst of rapid industrial growth. This says much about the resilience of indigenous cultural values and economic logics and practices, and their ability to renew and refashion themselves by exploiting new economic opportunities. Nonmarket economic logics can assert themselves in diverse ways and situations that undermine the notion of a hegemonic and unitary form of capitalism. Like the different forms of social embeddedness now recognized as characterizing western economies, rural Wenzhou is another example of how the social embeddedness of economies enables the interplay of different economic logics to form a particular kind of social formation. In the Wenzhou case, the rise of a ritual economy is not the resurrection of some archaic cultural-economy, but an alternative modernity arising from the interplay of different economic logics in which place-based social and economic practices are important.

In PNG there is a growing body of work that resonates with the notion of the social embeddedness of economies and the consequent emergence of a range of alternative modernities (e.g., Gregory 1982; Boyd 1985; Carrier and Carrier 1989; Thomas 1991; Curry 1997; Curry and Koczberski 1998; 1999; Banks 1999; Koczberski and Curry 1999; Im bun 2000). Much of this research has stressed the role of indigenous or precolonial economic logics in shaping contemporary forms of socio-economy and values.
To take one example, the ubiquitous village tradestore in PNG is commonly assumed to be a forerunner of an emergent rural capitalism in the midst of a largely subsistence-based rural economy. In an earlier paper (Curry 1999) I showed that village tradestores in the Wosera sub-district, East Sepik Province bear little resemblance to market enterprises. While they are an enduring part of the economic and social landscape, they are imbued with indigenous socio-economic values and meanings (see Banks 1999, 242-244 who reports similar findings for small businesses in the PNG highlands).

Most Wosera tradestores are driven by indigenous socio-cultural imperatives that are non-market and premodern in form and meaning. They require little start-up capital (many are constructed from bush materials) and most could be established from the resources of a single individual. Yet, the majority of such tradestores are group investments. The store operator often draws on extensive networks of kin for the pooling of capital and labor, in the way they would draw on these same kinship networks to support indigenous exchange transactions such as brideprices, mortuary exchanges and the staging of large ritual events. The key to understanding this is that the activation of social and kinship networks to establish a tradestore is an act imbued with meanings associated with group identity and status. Often Wosera tradestores are not capital investments at all in a market sense and nor are they managed as business enterprises with an eye to making profits. Economic relations between co-investors and between tradestore operators and their “customers” are often non-market in form, and market imperatives for generating profits are subordinated to the requirements of gift exchange. Tradestores are vehicles through which gift exchange is performed.

Moreover, the physical structure of the tradestore is also a source of prestige for a store operator and his co-investors for two reasons. First, they are a physical expression of a store operator’s ability to mobilize wealth and labor through exchange, the hallmark skills of the traditional bigman. Second, they are prestigious because they are a physical representation of modernity in the heart of the village, thus reflecting the group’s success in engaging with the modern world. The importance of their physical symbolism and association with modernity often leads to the paradoxical situation where a store closed because of stock shortages continues as a source of prestige for the group. Thus the physical structure of Wosera tradestores and the ways in which they are established and operated are imbued with place-based values and meanings that are pre-modern and non-market in form. Functionally and symbolically tradestores are constructed from the interaction of elements from the introduced market economy and modernity with place-based elements of the indigenous nonmarket economy.

While one might anticipate that the enterprises of an emergent rural capitalism can be “thwarted” by the demands of indigenous socio-economies (after all they are emerging from this context), to what extent is this possible when a large multinational company dominates a local economy and “incorporates” local people as smallholder producers? The following case study of oil palm smallholders illustrates that even in this context local agency can influence the terms and forms of engagement with international capital.
Smallholder Oil Palm Production in Papua New Guinea

This case study considers the oil palm industry in PNG where smallholder settlers living on land settlement schemes and local villagers are producing oil palm for large international companies. First, I provide a brief overview of PNG and the methods used in this study.

PNG has a total land area of 463,000 sq. kms, is located in the eastern half of the island of New Guinea and includes some 600 islands (Figure 1). Much of the terrain is rugged and mountainous which restricts human settlement, the scope of agricultural production and the provision of transport and communications. The population of over five million is culturally and linguistically diverse, with more than 700 language groups present. Approximately 85% of the population live in rural areas and are largely self-sufficient in food production, and many derive cash income from export cash crops and local food markets. Until recently, export earnings have been based largely on agricultural production. In the last decade there has been a shift towards mineral and natural resource development (especially gold, petroleum, gas and timber), and mining is now the most important sector in the economy (Connell 1997, 165). Despite the considerable wealth generated by the mineral-led growth of the 1990s, material standards of living are low for the majority of the rural population.

Fieldwork was undertaken for seven months in the land settlement and village oil palm schemes in the provinces of West New Britain (WNB) (1995/96 and 2000) and Oro (2000/2001). Data are drawn from informal and formal interviews and participant observation with migrant and village oil palm smallholders. While data are drawn from informal interviews and observations of a broad cross-section of the smallholder oil palm population much of the qualitative data are derived from smallholder families with whom I was in weekly contact or with whom I had long established relationships from earlier fieldwork in WNB and the East Sepik Province (many of these Sepik contacts or their kin have since settled in WNB).

The research relied mainly on ethnographic techniques which involved a relatively long period of fieldwork, and participating in or observing the activities of daily life including occasional community and ceremonial events (see Hammersley and Atkinson. 1983; Fetterman 1998; Herbert 2000). A typical interview would take between one and two hours to complete and usually involved most members of the smallholder family. Frequently, betel nut and cigarettes were shared and there was a great deal of conversation not directly related to the topic of the interview. This “free-flowing” conversation often provided more scope for informants to digress and raise issues that they themselves considered important. Often a throwaway comment by an interviewee would lead to important new information that would not have been gleaned from more formal survey techniques. These leads were often followed up with the informant in the same or a later interview, and raised with other informants to establish the validity or generality of particular issues and views. Additional information was collected through informal discussions and observations when visiting people while they were working in their oil palm blocks or tending their food gardens.
Prolonged fieldwork and engagement with the community is necessary for building relationships of trust with smallholders, and enabled me to explore with informants the social, economic and cultural relationships associated with work and exchange. The value of ethnographic methods to geography has been emphasized recently by geographers since the so-called “cultural turn” in geography (see Anderson and Gale 1992; Brown 1995; Philip 1998). While the value of ethnographic techniques is now becoming recognized more widely by human geographers (see, for example, Herbert 2000), these techniques have been used for a considerable time by geographers working in developing countries (see Skeldon 1995 for a discussion in relation to migration studies).

Smallholder oil palm production in PNG began in West New Britain Province in the late 1960s and early 1970s through land settlement schemes (LSS). Settler families were recruited to the LSSs by public advertisement with priority given to applicants from land-short regions of the country. Settlers were allocated 99 year leases over blocks of 6 to 6.5 hectares in size, of which approximately 4 hectares were planted to oil palm. Oil palm production by local landowners under the village oil palm scheme (VOP) was also encouraged and has been increasing over the years. VOP blocks tend to be smaller than LSS blocks, most being about 2 hectares in size. These smallholder schemes followed the nucleus estate model with smallholder blocks surrounding privately owned estate plantations (Hulme 1984). The estate plantations provide smallholders with access to planting material, extension services and fruit transport and processing.

When oil palm LSSs were first established in PNG, the Australian colonial administration viewed these schemes as part of an overall strategy to develop a national agricultural export industry. A premise of this strategy was that the removal of Papua New Guineans from their village socio-economies and their resettlement on oil palm blocks producing for the market economy would hasten the emergence of an indigenous entrepreneurial class. It was assumed that once these settlers became full-time cash crop producers they would come to see the benefits of a market economy and individualized land tenure systems, and over time their “irrational” cultural beliefs and economic practices would be eroded through their immersion in the cash economy. While this transformation has failed to occur, there has been significant change. The new socio-economies are different in many respects from the socio-economies of the villages from which the settlers came. Instead, an alternative modernity has developed in which exchange remains important, but one where cash has greater significance than in their home areas. Also, new social relationships have developed across ethnic and cultural lines and while they are grounded in nonmarket exchange they draw on elements from a range of indigenous cultures as well as the introduced market economy.

Most smallholder oil palm schemes in PNG follow a fortnightly harvesting schedule in which the fruit is harvested and stacked in nets on the roadside edge of the block by smallholders for collection by company or contractor trucks. The fruit is weighed at the roadside collection point and the tonnage recorded against a payment card issued by the company. Harvesting takes one to two days depending on the area planted to oil palm and available labor. Loose fruit (ripe fruitlets dislodged from the main bunch
during harvesting) is collected, usually by women who are paid separately for this work (Koczberski et al. 2001; Koczberski 2002). Depending on the project area, smallholders are paid either fortnightly or monthly.

With regard to agronomic practices the VOP and LSS schemes are very different. VOP oil palm productivity in terms of yields per hectare and harvesting rates is lower than the LSS. Landowner VOP smallholders not only have an adequate subsistence base to provide for most of the daily food requirements (the subsistence affluence argument), but they also have alternative cash crops and other income sources such as coastal fishing which are not as readily available to settlers on the LSSs. With relatively abundant land resources, VOP smallholders are not under the same economic pressure as settlers to harvest oil palm. They have a fallback in subsistence production and other cash crops such as cocoa and copra.

Where several income opportunities exist, VOP smallholders will choose alternatives that offer them the best return. Within this context, however, it is also clear that villagers are responsive to the requirements of the gift economy and will adjust their production strategies accordingly. While it is often assumed that cultural practices and obligations such as gift exchange draw people away from cash crop production, at times, the reverse is also true. It seems now, at least for VOP smallholders, that cultural practices, obligations and rituals are timed to the oil palm cycle of payment, rather than the garden cycle as practiced in earlier times:

> In the past our customary activities were based on garden produce, and customary activities were timed with the garden cycle. Now our customs are tied to the monthly check from oil palm, for buying store food, raising cash, for example, to pay brideprices. … This is because all our customs are now dependent on cash. Before oil palm all our customary activities were dependent on garden foods, pig meat and fish. (Village smallholder, Hoskins)

The monthly production totals for a village smallholder from October 1998 to July 2000 shows the influence of gift exchange on production (Figure 2). In March, April and June 1999 there were substantial increases in production (almost 14 tonnes per month compared with the normal monthly level of around 5 to 6 tonnes), which were due to brideprice demands. This smallholder took responsibility for arranging the brideprice payments of his elder brother’s two sons. Six members of his extended lineage contributed nets of oil palm fruit that were weighed on his payment card. The extended kinship group was mobilized to engage in oil palm production to fulfill the requirements of the indigenous exchange economy. Gifts were not only in oil palm fruit but included gifts of cash to this grower, much of which was raised through the production of oil palm.

The role of indigenous exchange in determining the oil palm production strategies of smallholders is also evident on the LSS, despite settlers being removed from their village socio-economies and much of the attendant networks of obligations and customary practices. On the LSS, tradestores are managed by smallholder settlers.
engaged in oil palm production with their stores typically located on their oil palm holdings near their houses. In 2000, some of these tradestores began providing cash loans and goods on credit to smallholders with repayments in oil palm fruit rather than cash. Many of the smallholders availing themselves of this “service” required cash or store goods for large unanticipated gift exchanges, such as those associated with mortuary rituals. At the following harvesting round, smallholders repaid their store debts by weighing a portion of their harvested fruit on the store operator’s company payment card.

Often repayments of store credit are made by groups rather than individuals. This can be in the form of coming together on one smallholder block to harvest oil palm with all or a portion of the harvested fruit used to repay the loan. Alternatively, smallholders may harvest on their own oil palm blocks using labor from the extended family with a proportion of the crop used to repay the loan. Like the Wosera tradestores described earlier, these exchanges are about group identity and the creation or maintenance of social relationships (see below).

The emergence of tradestores as sales points for fruit was not welcomed initially by the company nor the government extension service for growers. These organizations still tend to think in terms of individual farmers producing as independent families on their own oil palm blocks. Extension services have long been modeled on the individual producer operating in the nuclear family context with little co-operation in production between blocks. Production and yields are monitored by individual block through the company payment system and so, for the industry, it is important that payments recorded against each block reflect that block’s production. For these organizations, tradestores acting as buyers posed a serious challenge to the way they managed the smallholder sector. The company and the extension service investigated several of these tradestores (one tradestore’s monthly production exceeded 35 tonnes) because they feared fruit was being stolen either from the company plantations or from other smallholders. When they understood the situation some in the industry were uneasy about it for two reasons. First, it was difficult to monitor production from individual blocks and, secondly, it challenged their notions of the model farmer, that is, the rational, individual producer responding to market signals rather than the demands of the gift economy.

When I interviewed these tradestore operators it was clear that they saw themselves as providing a service to enable growers to engage in indigenous exchange. As one proprietor reported:

When something important happens and they [smallholders] need money, they will come to me for credit. They can borrow K200 or K300 from me. Later, when they harvest oil palm they repay me by weighing fruit on my payment card. Older boys, adult men and blockowners [avail themselves of this credit]. When it’s not close to payday [the monthly payday by the company] and they need cash they know they can come and borrow cash from me. (Tradestore proprietor, Buvussi LSS subdivision)

An agricultural extension officer working in the Buvussi subdivision commented to me that he believed this more “flexible” payment arrangement was raising
smallholder productivity. Because smallholders could receive cash when required, they were more inclined to harvest oil palm. This was also recognized by the tradestore operator above who believed that an outcome of his “service” to smallholders was increased smallholder productivity of oil palm and improved block maintenance.

Cash advances from tradestores are particularly useful for smallholders when the demands of the indigenous exchange economy are unanticipated such as following a death or when customary exchange is required to settle inter- and intra-group disputes and conflicts. In the case of death, for example, large numbers of people congregate at the deceased’s home, often staying for up to a month. Large quantities of food are fed to mourners, and cash and other wealth items must be paid in mortuary exchange to the deceased’s natal lineage and maternal kin. In such situations large amounts of cash are required immediately, and people will harvest oil palm collectively or harvest independently on their own blocks to repay the cash advance. As pointed out above, when the requirements of indigenous exchange are accommodated in the way that these tradestore operators are offering, production of oil palm can actually increase. In other words, there are ways that smallholder cash crop production can be harnessed more effectively to serve the needs of the gift economy.

The extent to which smallholders participate in the cash economy (wage labor, cash cropping, small businesses, etc.) is partly determined by the level of activity in the indigenous exchange economy, which can fluctuate in response to major life events such as births, marriages and deaths. Activity levels in indigenous exchange are also influenced by opportunities in the market economy. So, for example, exchange activities may be tied to the cycle of cash crop production (e.g., the seasonal coffee flush, or the monthly payments from oil palm). In a similar way exchange activities increase in frequency and volume during periods of high cash crop prices (see Grossman 1984 for an example from highland PNG).

Developing Social Relationships

A key point that must be stressed is the role of exchange in maintaining and building social and kinship relationships and thus the identity of individuals and groups. When smallholders come together to harvest oil palm and pool the fruit to repay cash advances from tradestores, they are forming social relations of identity. Communal labor practices, individual and group exchanges, and contributions to such exchanges are all about the creation of communities. Gift exchange, whether in the form of gifts of labor, cooked and uncooked food, tradestore goods, oil palm fruit or cash, has meanings and significance beyond the direct payment of labor for work done. Payment of labor is often not commensurate with labor market value, and other logics associated with kinship, gift exchange and identity override market economic considerations:

If I provide labor to an older brother to harvest his oil palm and he reciprocates with only a small amount of cash, I would not be unduly upset about this. This is because I can rely on him to sort out whatever major
The capacity of people to engage in gift exchange is critical to social relationships and identity, and is an important determinant of life quality. It is central to the notion of personhood and community and is not something from which an individual can easily withdraw. Failure to engage in exchange undermines the identity and unity of the kinship group, and consequently much effort and wealth is invested in exchange to prevent this occurrence. When social relationships are strained because of conflict between brothers, lineages or subclans, for example, the broader group will exert pressure on the antagonists to reconcile their differences through exchanges of food and wealth items. These exchanges often ripple out through wider networks of exchange as more distant kin are drawn in to support the exchange and process of reconciliation. Without exchange, life quality declines, social relationships are suspended and opportunities for conflict resolution decline. In short, exchange makes community and without exchange there can be no community, as the following quotation illustrates:

If the brideprice has been set for a lineage brother, the male members of the lineage will harvest oil palm and pool the funds to raise the brideprice. These kinds of exchange function to strengthen the lineage and prevent its disintegration. (Smallholder oil palm grower)

Many beliefs concerning exchange in traditional contexts have been applied to novel situations with the introduction of new ideas and patterns of work associated with the cash economy. As noted above, the inability or failure to maintain exchange relations often leads to social stresses and strife within and between kinship groups, and a breakdown in the spiritual relations between the living and ancestor spirits. The disintegration of social relationships because of an absence of exchange is believed to manifest itself in poor subsistence production (food crops and animal husbandry) and illness amongst members of the group. These beliefs have been carried over in modified form into new situations so that failure to engage in exchange can result in reduced yields of cash crops like oil palm, the failure of chicken projects, tradestores and other businesses. As one oil palm grower put it:

… It is customary. If you do not share your cash with lineage members and affines your oil palm yields will be reduced. Various types of magic will be used to ensure that oil palm production will be lower. If you look around [the oil palm blocks] many palms are carrying only leaves, no fruit. The leaf stems are dry and hanging down [indicating no harvesting because the leaf stems are cut during the harvesting process]. Previously these factors [affecting the growth and yields of oil palm] affected only the [growth and development of] children, coconuts, pigs, garden foods and so on. Now they affect oil palm, tradestores, coffee, cocoa and chicken projects. However, if you “manage” your “business” well, these problems won’t arise. Managing your “business” well means meeting your obligations for gift exchange to prevent these sorts of problems arising [when asked to explain the meaning of “managing your business well”]. (Smallholder oil palm grower)
Work and economic activity in the context of gift or ritual exchange, whether in rural PNG or in rapidly industrializing south-east China, are largely about social being, kinship and religion. Work and the exchange transactions that embody this work have very different meanings and values to the market values of labor and commodity exchange. The motivation to participate in the market economy, whether in oil palm production and tradestores in PNG or in industrial production in rural Wenzhou, is very clearly tied to the requirements of indigenous exchange and ritual economies.  

Conclusion

The assumption that noncapitalist practices are displaced, destroyed or subsumed on contact with capitalism is increasingly being critiqued by a range of theories from several perspectives. Gibson-Graham’s work highlights how a capitalocentric discourse masks or obscures noncapitalist practices that are probably widespread everywhere. Drawing on Polanyi’s ideas, the recent social embeddedness literature exposes the social basis of economies by revealing that what are often assumed to be impartial, neutral commodity transactions are in reality embedded in social relations. The hybridization literature empirically demonstrates that a range of modernities exist so that a universal capitalist form is more imaginary than real. What these perspectives have in common is a view of the economy as being more than economic; that there is a social dimension resulting from place-based practices and values. These perspectives also recognize alternative possibilities in which diverse socio-economic and cultural formations are, to use Nederveen Pieterse’s term, the expected, the norm. A more complex reality is acknowledged in which diverse economic and social logics exist and where nonmarket forms can even flourish. This paper has attempted to illustrate these points in reference to gift exchange, a practice still extant in many areas of the world including Western countries. By recognizing that gift or indigenous exchange continues even under the most intensive forms of capitalist-style development (e.g., rural Wenzhou and industrial oil palm production in PNG), we can begin to see how alternative forms of development can be theorized. The issue in my view is not one of rejecting development, but making it better serve place-based indigenous socio-economic practices.

This compels us to think differently about development (with a more modest lower case d) and how it is represented. Rather than thinking about development as a process of transformation in which village socio-economies are, at best, embedded, or worse, transformed, it would be more useful to think through other possibilities that might better serve the place-based needs and desires of people seeking to maintain and enhance a way of life. Thinking of development as an expanding market economy increasingly dominated by market relations obscures alternatives outside this framework, a point strongly made by the social embeddedness literature. That elements of place-based practices like gift exchange have so often been missing from the discourse of Development is a telling indictment of the Eurocentrism of much development thinking and planning; it is also an indictment of the strength of the capitalocentric discourse of Development. So, if the rural Chinese of Wenzhou province destroy much of their surplus production in ritual extravaganza, rural tradestores in PNG are unprofitable, or oil palm smallholders are motivated by
kinship-based exchange, then according to a market framework of understanding, these are market failures and/or instances of irrational economic behavior. Rarely is the market framework of understanding and conceptualizing economies questioned, despite profits and market relations having little priority in many peoples’ lives. A different picture emerges if we substitute a conceptual framework that is inclusive of gift exchange and its role in these societies. It is not one characterized by irrational behavior and market failure, but one in which individuals and groups are striving to enhance their quality of life through engaging in gift exchange, a culturally place-specific form of economy, and one that is by no means geographically limited to rural PNG. If market activities and relationships conflict with this goal, or there are easier alternatives to engaging in gift exchange, then participation in the market economy, as wage labor or as cash crop producers, is likely to have lower priority. Conversely, if the market economy offers opportunities to enhance indigenous exchange, then people will engage with it often through place-based practices that transform the meanings of market relationships.

So, what are the implications for development practice? I would suggest that development practice should pay close attention to placed-based conceptions of economy and society. Like everywhere, as the social embeddedness literature has highlighted, the PNG rural economy is not separate from social and cultural life; the two are closely bound up in notions of place encompassing community and identity. One cannot be thought about without the other as the economy is intensely social and the social is intensely economic. Losing sight of the social can and often does lead to the failure of development projects that have a purely economic basis to their foundation. “Successful” development projects have often succeeded not because of their rational economic bases, but in spite of them, because local people through place-based practices have been able to transform these projects to make them social. Cash crop producers in PNG have to varying extent taken up the opportunities to earn cash incomes to further indigenously defined goals and objectives. Smallholder oil palm producers use their labor and income to practice exchange, and small rural tradestores in PNG are a vehicle for enhancing the social prestige of the group and pursuing opportunities for exchange.

How can development efforts, particularly large-scale resource projects, take account of indigenous economies? First, in all development efforts whether state-managed or privately funded large-scale industrial developments, efforts should be made to understand how production, distribution and consumption can best accommodate indigenous systems of labor and exchange. The pooling of labor by kinship groups facilitates group identity and well-being as does the distribution of surplus through exchange which also maintains more egalitarian forms of economy. What this suggests is that for resource companies working with villagers or smallholders, there are opportunities to work with the logic of indigenous exchange to meet the needs and priorities of people while fostering production. The way that tradestores are operating in the oil palm schemes is a case in point. The monthly payment system of the company constrains opportunities for exchange because the timing of company payments to smallholders is often not synchronized with the demands of the indigenous exchange economy. Tradestores acting as fruit buyers are facilitating exchange by allowing smallholders access to cash as required. While the evidence is
anecdotal, this has led to both more exchange (hence improving the quality of life for smallholders), and higher productivity in oil palm production.

Secondly, small village-based income generating projects often encounter difficulties because they are planned without adequate consideration of how they will be embedded in local place-based practices of exchange. While such projects may run successfully for several years, their long-term viability is often eroded by the demands of the indigenous exchange economy. Village based motor repair workshops, for example, which are rare in PNG, require a significant proportion of their operating surplus to be expended on inputs such as spare parts, lubricants, etc. However, the demands of the indigenous exchange mean that such businesses are often unsustainable. On the other hand, once established, village cocoa fermentaries have low maintenance and running costs; repairs and maintenance are usually performed by the owners themselves without drawing on profits for this purpose. Even when most of the economic surplus is redirected to indigenous exchange, these types of businesses can operate indefinitely. Small-scale development projects to generate income streams should be able to accommodate the redirection of surplus value to the indigenous exchange economy.

As a final comment, while postdevelopment has rightly criticized the Eurocentrism and assumptions underpinning much of development thinking and practice, it has been less specific about how these problems can be addressed. In this paper I have suggested one way forward for postdevelopment is to begin to focus on the nonmarket economic relations associated with gift exchange and the social embeddedness of economies. By emphasizing the social dimensions of economy, postdevelopment strategies for an alternative development would seek to identify and enhance opportunities for the inflection of market economic relationships and practices to better align development efforts with indigenous socio-cultural meanings of “development”. This would mean placing more emphasis on developing partnerships with communities to identify economic alternatives that enhance the quality of life in indigenously defined ways.

Notes

1. Gift exchange has also been identified amongst the overseas Chinese as an important element of business networks for developing trusting interpersonal relations in economic activities (Smart and Smart 1991; Hsing 1996; also Light and Karageorgis 1994).

2. Sahlins (1963) used the term ‘bigman’ to describe Melanesian societies where leadership is achieved rather than ascribed, and to distinguish them from Polynesian chiefly societies of inherited rank (for further discussion see Feil 1987; Lederman 1990; Lepowsky 1990).

3. In WNB, five weeks fieldwork was completed in 1995/96 followed by a further four months in 2000. In Oro province, two months fieldwork was conducted in 2000/2001.
4. Gift exchange is more prevalent on the VOPs than the LSSs, because the former are still living in the village context with all its networks of obligations and cultural practices still extant. Settlers, on the other hand, have largely been removed from these settings and demands. This is not to underestimate the significance of gift exchange on LSSs. New networks of obligations have developed between settlers from different parts of the country through intermarriage and friendships, and many settlers still retain close ties with home through the maintenance of exchange relationships with village-based kin (see Curry and Koczberski 1998).

5. There is a slight drop in production from December 1998 attributable to the poisoning of one hectare of old palms and replanting with oil palm seedlings.

6. I am not implying here that all production is motivated by indigenous exchange. Production is, of course, motivated by economic needs such the need for food, clothing and shelter.

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References


CAPTIONS FOR FIGURES

Figure 1. Map of Papua New Guinea.

Figure 2. Monthly production totals of oil palm fresh fruit bunches for a village smallholder in the Hoskins scheme (Source: Fieldwork data).