anthropologists to engage with social change at a more inclusive level. Not everything carried out in its name could be understood as economic anthropology; but once anthropologists abandoned the premise that the peoples we studied were somehow separate from world society in the making, the development of the former colonial world came to occupy a central position in our discipline. We have noted in chapter 5 that Eric Wolf, Sidney Mintz and Jack Goody, in their very different ways, stand out for having devised projects of anthropological history capable of addressing how our world became so unequal. The radical critiques launched by Marxists and feminists contributed in their own way, but they lacked Marx and Engels's world-historical vision.

The ultimate goal of the drive for 'development' in the postwar decades was a better world in which the rich might join poor countries to seek ways of improving the latter's economic prospects. Seen in this light, 'development' could be seen as a revival of Victorian evolutionism. In what follows, we first ask what the term 'development' means, then how we might approach our unequal world as an object of study. We sketch anthropology's place in development studies and the development industry more generally, before looking in more detail at Africa and the idea of an 'informal economy', which has been anthropologists' most influential contribution in this field. Finally, we ask if the world has moved 'beyond development'.

Development in an Unequal World

In 1800 the world's population was around 1 billion. At that time only one in forty people lived in towns and cities. The rest lived by extracting a livelihood from the land. Animals and plants were responsible for almost all the energy produced and consumed by human beings. Two centuries later, world population had reached 6 billion. The proportion living in cities was close to a half. Inanimate energy sources converted by machines now accounted for the bulk of production and consumption. For most of this period, the human population has been growing at an average annual rate of 1.5 per cent; cities at 2 per cent a year; and energy production at around 3 per cent. This last figure is double the rate of population increase, a powerful index of the economic expansion of the last 200 years. Many people live longer, work less and spend more than they did before. But the distribution of all this extra energy has been grossly unequal. A third of all human beings still work in the fields with their hands. Americans each consume 400 times more energy than the average Ugandan, for example.

'Development' thus refers in the first instance to this hectic dash of humanity from the village to the city. It is widely assumed that the engine driving this economic growth and the inequality it entails is 'capitalism', which we examine more carefully in chapter 8. 'Development' then comes to mean trying to understand both how capitalist growth is generated and how to make good the damage capitalism causes in repeated cycles of creation and destruction ('creative destruction', as Joseph Schumpeter put it). A third meaning refers to the *developmental state* of the mid twentieth century: the idea that governments are best placed to engineer sustained economic growth with redistribution. Pioneered by fascist and communist states, this model took root in the late colonial empires around the Second World War and became the norm for developed and newly independent countries afterwards, at least until the 1970s.

The most common usage of 'development' over the last half-century, however, refers to the commitment of rich countries to help poor countries become richer. In the wake of the anti-colonial revolution, such a commitment was real enough, even if the recipes chosen were often flawed. But after the watershed of the 1970s, this commitment has faded. If, in the 1950s and 1960s, the rapid growth of the world economy encouraged a belief that poor countries too could embark on their own enrichment, from the 1980s onwards 'development' has more often meant freeing up global markets and applying sticking plaster to the wounds inflicted by exploi-

tation and neglect. Development has thus been a label for political relations between rich and poor countries after colonial empire; for some decades it went in tandem with 'aid' but the preferred term nowadays is 'partnership'.

There are massive regional discrepancies in experiences of development since the collapse of European empires. After the anti-colonial revolution unleashed by the Second World War, many Asian countries installed successful capitalist economies, with and without Western help, eventually bringing about the eastward shift in the balance of global economic power that has accelerated in recent years. But other regions, especially Africa, the Middle East and much of Latin America, have stagnated or declined since the 1970s. These divergent paths have led to the circulation of a variety of development models, with an Asian emphasis on authoritarian states (notably China's, see chapter 7) being opposed to Western liberalism, and radical political alternatives coming out of Latin America in particular.

After the Second World War, there were two decades of general economic growth and relatively strong states (the 1950s and 1960s), followed later by decades of economic stagnation and weakened states. By the 1980s, in the aftermath of the oil shocks and 'stagflation' of the 1970s and with neoliberal conservatives in power, development was no longer seriously on the agenda. Instead the drive was to open up the world's economies to capital flows ('structural adjustment'), if necessary at the expense of states' ability to govern; and debt interest payments became a huge income drain from the poor countries.

Since the formation of the United Nations in 1945, it has become normal to collect statistics on the world population; but thinking about humanity as a single entity has not yet taken hold. It is about time that it did. World society today is like the advanced centres of agrarian civilization before the modern revolutions swept them away (Hart 2002). More than two centuries of political struggle and economic development have left the world in a condition similar to France's Old Regime when Jean-Jacques Rousseau wrote his discourse on inequality (chapter 1). How else can one describe a situation in which a socially exclusive minority controls an impoverished mass whose powerlessness is now measured by how little money they have to spend? The latest wave of the machine revolution has granted one man a net worth of $40 billion and dominance of the global information industry, while billions of people lack material essentials, not to mention access to the internet.

There are two pressing features of our world: the unprecedented expansion of markets since the Second World War and massive economic inequality between rich and poor nations. Becoming closer and more unequal at the same time is an explosive combination. *Forbes* magazine reported in March 2009 that the top ten richest individuals had a net worth between them of $250 billion, roughly the annual income of Finland (population 5 million) or of middle-ranking regional powers such as Venezuela (28 million), South Africa (49 million) and Iran (72 million). The same sum of a quarter of a trillion dollars equals the total annual income of twenty-six sub-Saharan African countries with a combined population of almost half a billion, or one in twelve of all those alive today.

Providing adequate food, clean water and basic education for the world's poorest people could be achieved for less than the West spends annually on make-up, ice cream and pet food. Car ownership in developed countries is 400 per 1,000 persons, while in the developing countries it is below 20. The rich pollute the world fifty times more than the poor; but the latter are more likely to die from the pollution. A United Nations Development Program *Human Development Report* (1998) claimed that world consumption has increased sixfold in the previous two decades; but the richest 20 per cent accounted for 86 per cent of private expenditure, the poorest 20 per cent for only 1.3 per cent. Africa, with a seventh of the world's population, has 2 per cent of global purchasing power.

The apartheid principle of separating rich and poor spatially is to be found everywhere in local systems of discrimination,

more or less blatant. But the Caribbean Nobel-prizewinning economist Arthur Lewis (1978) made a plausible case that twentieth-century world society was constructed along racial lines at a particular historical conjuncture. In three decades leading up to the First World War, 50 million Europeans left home for temperate lands of new settlement (three-quarters of them for the United States); the same number of Indians and Chinese ('coolies') were shipped to the colonies as indentured labourers. These two streams of migrants had to be kept apart since, although their work and skill-level were often similar, whites were paid on average 9 shillings a day, while Asians received 1 shilling a day. In those areas where Asian workers were allowed to settle, the price of local wage-labour was driven down to their level. Western imperialism's division of the world into countries of dear and cheap labour at this time had profound consequences for their subsequent economic development. Demand in high-wage economies is stronger than in their low-wage counterparts. World trade has been organized ever since in the interests of the better-paid, with tax-rich states subsidizing their farmers to dump cheap food overseas at the expense of local agricultural development, while preventing poorer countries' manufactures from undermining the wages of industrial workers at home.

Anthropologists and Development

For a half-century now, Development Studies has offered an interdisciplinary space within an increasingly formalized academic division of labour. The theories animating this field have shifted along with world history. In the 1950s and 1960s, the dominant approach was *modernization*, the idea that poor people should become more like the rich. This meant replacing 'traditional' institutions with 'modern' ones, adopting a 'bourgeois package' that consisted of cities, capital, science and technology, democracy, the rule of law and education for all. Increased inequalities were held to be acceptable, since the benefits of progress would eventually 'trickle down' to improve general living standards. Around 1970, it became clear that this wasn't working and Marxist theories became more widely accepted. These took the view that *underdevelopment* and *dependency* were caused by poor countries participating in a *world system* controlled by and for the rich capitalist countries. Development under these circumstances required them to withdraw from what was essentially a zero sum game, redistributing the wealth of the periphery to the core. This theory has echoes of Foster's (1965) peasant image of limited good.

From the 1980s, with the rise of neoliberalism, the focus of development theory moved away from the state's role in engineering national capitalism, the attempt to control markets, money and accumulation through central bureaucracy for the benefit of all citizens (see chapter 2). Now the focus was on making markets work and getting prices right. This emphasis signalled the growing power of economics in contrast to an earlier inter- and multi-disciplinary approach to development thinking and practice. The development industry was controlled in the 1950s by engineering firms, since it was assumed that development meant blowing a hole in the rock and filling it with water. Around the 1960s economists, largely in an accountancy role, pointed out that development costs money and is supposed to yield economic returns, so cost–benefit analysis was introduced. Then it was discovered that the supposed beneficiaries of development – and the likely cause of planning failures – were people; so, from the 1970s, anthropologists and other 'soft' social scientists were recruited to monitor 'the human factor'. The neoliberal revolution of the 1980s installed the economists in full command and Development Studies' interdisciplinary ethos was effectively sidelined. The rationale for a separate area of academic study labelled 'development' was called into question.

This was the triumph of neoclassical economics, a version moreover that insisted on the totalizing primacy of mathematical modelling and econometrics, as well as on a highly technical concern with measurement, often directed to quantifying 'poverty'. Ever since the industrial revolu-

tion, elites had been concerned to measure the material progress and deterioration of the poor urban masses. This concern now took a specific technical form. While mathematics, modelling and measurement all have their uses, we should also recognize their limitations. Another Nobel Prizewinning economist, Wassily Leontief, complained that 'uncritical enthusiasm for mathematical formulation tends often to conceal the ephemeral content of the argument' (1977: 25).

It would be no exaggeration to say that the development industry has been a site of class struggle between the bureaucracy, both national and international, and the people, however they are classified. Human lives were overridden by bureaucratic planning recipes that could not accommodate people's real interests and practices. In a neoliberal climate this observation could be assimilated to a critique of the state, the core of bureaucratic order. Consequently, states were bypassed as corrupt and ineffective, their place taken by NGOs, which are of course bureaucracies in addition to not being governments. The multilateral agencies too, who took it on themselves to coordinate development, have constantly struggled with the contradiction between their bureaucratic nature and the desire to stimulate self-organized human initiatives on the ground that are usually stifled by rational controls.

Anthropologists' role in all this changed as the world changed. Malinowski had encouraged members of his LSE seminar to take up applied anthropology. Some British anthropologists played a significant role in colonial administration; but in the heyday of independence, any collaboration with empire became something of an embarrassment and anthropologists were generally excluded from the development business. This began to change in the 1960s, when scholars like Raymond Apthorpe (1970) pioneered anthropologists' re-entry as applied social scientists. They brought with them a method of long-term immersion in fieldwork, an ideology of joining the people where they live, concepts drawn from ethnographies around the world and a general indifference or hostility to numeracy, literate records and all the techniques of bureaucracy. They were asked to fill in the human dimension of development as a complement to the dominant work of the economists and the engineers, usually at short notice, for curtailed periods and with the expectation of meeting standards of presentation they had never known before. But they had the people card to play ('I have been there and you have not'). Sometimes they were able to make short visits to places they already knew well, which mitigated the inadequacies of short-term commissions. This later became commonplace, as senior academics with a long record of involvement in a region have been drawn upon for their accumulated expertise rather than for some quick fieldwork exercise.

The anthropologists soon found out that they were in the middle of a class war. They could take up one of three positions. They could inform on the people for the benefit of the bureaucracy. They could take the people's side as advocates for their interests. Or they could try to sit on the fence as mediators, offering interpretations of the people to the bureaucracy and of the bureaucracy to the people. The option most frequently chosen was the last, the one most compatible with anthropologists' romantic penchant for the lone-ranger role. As individualists, their natural position was in the gaps between all and sundry.

Apart from this political bind, there was the sheer contradiction between the ethnographic paradigm and the development process itself. Development was after all a revival of that Victorian evolutionism that ethnographers had flatly rejected at the turn of the twentieth century. It is not easy to devise a way of studying the world that might help people to realize new possibilities from actual social conditions. In the postcolonial decades, many anthropologists struggled with trying to incorporate the history of nation-states and capitalism into their local inquiries. But this encouraged a critical perspective on contemporary society that made the world of development institutions seem even more alien. An awkward situation resulted: traditional ethnographers lacked the means of engaging with development problems, and

critical anthropologists who were open to historical materialism and related dialectical methods were often too suspicious of the development industry to consider joining it.

The situation from the 1980s onward was different again. Anthropologists with experience of doing fieldwork in exotic places (or just trained for that possibility) were now seen as suitable personnel for the administration of development worldwide. This went along with a reduction in the scale of development programmes to quite specialized local projects, since serious commitment to reducing the gap between rich and poor had by then long been abandoned. A new specialization called the 'anthropology of development' arose, seeking to formalize the involvement of anthropologists in development bureaucracies. Techniques like Rapid Rural Appraisal were embraced, whatever violence they did to fieldwork traditions. Under headings such as 'participatory development', anthropologists did their best to enable local people to have a say in the projects that would transform their communities. Particular attention was paid to the needs of poor and marginalized groups, and of course to women.

The Anthropology of Development in Africa

The project of developing Africa took hold in the late colonial period, around the time of the Second World War and immediately after. But independence from colonial rule brought a new dimension to the search for economic development there. In 1960 Ghana had a bigger economy than Indonesia's and per capita income on a par with South Korea. But the economic failures of subsequent decades led to the situation today in which Africa is the prime symbol of poverty and disorder in our world.

West Africa offers one of the most striking examples of indigenous capitalism in modern economic history. The period from the 1880s to the First World War saw an explosion in the mass production and consumption of commodities, much of it based on raw materials located in territories that were rapidly being acquired as colonies. This usually meant European-owned mines (gold, copper, bauxite) and plantations (tea, rubber, oil palm) employing a mixture of local and indentured Asian labour. The cocoa industry was an exception. It arose in the rainforests of the Gold Coast (now Ghana) without the help or knowledge of the colonial regime. Although many other countries joined in later, Ghana still supplied almost half of the world market at the time of independence.

Despite this, little was known about the indigenous producers. They were assumed to be African 'peasants' earning a little extra by adding cocoa to their subsistence farms. Polly Hill, in *Migrant Cocoa-Farmers of Southern Ghana* (1963), traced the industry to its origins at the turn of the century. She was able to show that the cocoa farmers were an authentic modern class, migrant entrepreneurs opening up virgin forest in companies capable of hiring Swiss construction firms to develop the infrastructure that they needed and that the colonial authorities could not provide. Her study, combining historical records with fieldwork, documented the complexity of the social organization involved. All of the new farmers were migrants; most of them came from families that had accumulated wealth from earlier export trades, such as slavery and rubber; their level of education was often high. They invented a new institution, *abusa*, a means of recruiting migrant labourers to work on the basis of a one-third: two-thirds division of the crop. Mainstream economists have struggled to explain sharecropping, which according to their simplified models leads to less efficient outcomes than a 'free' labour market. Anthropologists on the other hand have shown why, for vulnerable, risk-averse cultivators who place a high value on equitable solutions, it can be economically as well as socially advantageous (Robertson 1987). In this Ghanaian case, Hill was sure that the cocoa industry was capitalist from the beginning; but this capitalist class did not capture the state. The first post-independence government, led by Kwame Nkrumah, was based on a coalition of interests opposed to the Ashanti region where the majority

of cocoa farmers lived. Their wealth was squandered by this new ruling class, the industry declined and Ghana's economy suffered a reverse from which it is only now re-emerging.

It would be hard to exaggerate the contrast between Hill's discovery and the conventional thinking of development economists and administrators at the time (and since). She summed this up in *Development Economics on Trial* (1986). Her work has barely been absorbed by anthropologists because it contradicts deep-seated racist convictions about Western economic leadership and African backwardness that have proved harder to discard than the more overt forms of evolutionist theory.

Polly Hill's example was taken up by younger anthropologists who were also concerned to explore the roots of stagnation and dynamism in West African agriculture. Hart (1982) argued that independence from colonial rule was based on a contradictory premise, namely that modern states could be built on the back of traditional small-scale agriculture adapted to producing for the world market. Either capitalism would grow sufficiently in key agricultural and industrial sectors to support these new states or the latter would sink to a level compatible with the economy, much as Haiti had after its revolution two centuries before. What happened subsequently confirmed the pessimistic scenario.

Paul Richards (1985) drew on ecology and geography more than on political economy. He took a more positive view of West African farmers' ability to overcome problems of production by using their own knowledge systems and experimental methods, as opposed to the ready-made external solutions proffered by the technocrats of the 'green revolution'. Unfortunately, Sierra Leone, the country in which he carried out field research, soon became a 'failed state' and indigenous science was not of much use to people whose fields were overrun by a vicious civil war.

From the beginning there was a tendency to cleanse development bureaucracy of considerations of power, class and politics. Overlooking the violent social upheavals and struggles that characterize development makes it harder to understand the savage inequality typical of the South, not least in Africa. James Ferguson (1990) coined the apt phrase 'anti-politics machine' to describe this tendency. Based on anthropological research in the landlocked enclave of Lesotho, Ferguson argued that the World Bank's profile of that small country represented it as remote and isolated, a hopeless place cut off from the rest of the world by mountains and cultural tradition. In contrast, he demonstrated Lesotho's strong links to South Africa, especially as a migrant labour reserve for the mines (cf. Schapera 1947). In the Bank's sanitized version of development, the same policies devised for Sri Lanka or Peru should apply in Lesotho. It is politics that makes these countries different and that dimension is normatively excluded by a narrow focus on poverty alleviation.

Africa appears in the Western media as little more than a playground for the four horsemen of the apocalypse: pestilence, war, famine and death. Yet the continent's population is growing at 2.5 per cent a year and is projected to reach 1.8 billion by 2050, about a quarter of humanity. Starting the twentieth century as the least densely populated and urbanized major region in the world, Africa is now close to the global average on both counts, having experienced a population explosion and urban revolution of unprecedented speed and size. The Asian manufacturing exporters have been quicker than the West to grasp the significance of Africa's potential share of the world market. The continent's development prospects could improve considerably in the coming half-century, with the region's sole capitalist power, South Africa, and newcomers like China playing major roles.

The Informal Economy

Anyone who visits the sprawling cities of what was once called 'the Third World', which have accounted for the bulk of global urbanization since 1945, will get a vivid impression of what Mike Davis (2006) calls 'a planet of slums'. Their streets are teeming with life, a constantly shifting crowd of

hawkers, porters, taxi-drivers, beggars, pimps, pickpockets, hustlers – all of them getting by without the benefit of a 'real job'. There is no shortage of names for this kind of early modern street economy with which readers of Dickens have long been familiar. Terms like 'underground', 'unregulated', 'hidden', 'black' and 'second' economies abound. If anthropologists' engagement with development has been an uneasy compromise between bureaucratic employment, ethnography and critique, the profession has contributed at least one idea to the theory and practice of development: the idea of an informal economy.

Before he launched the 'cultural turn' in anthropology, Clifford Geertz wrote four books in the 1950s and 1960s on economic development, the most important of them being *Peddlers and Princes* (1963), an examination of two faces of Indonesian entrepreneurship. The majority of a Javanese town's inhabitants were occupied in a street economy that he labelled 'bazaar-type' after the dominant local economic institution, the *suq*. The 'firm-type' economy consisted largely of Western corporations who benefited from the protection of state law. These had *form* in Weber's (1922a) sense of 'rational enterprise', being based on rules, calculation and the avoidance of risk. National bureaucracy lent these firms a measure of protection from competition, thereby allowing the systematic accumulation of capital. The 'bazaar' on the other hand was individualistic and competitive, so that accumulation was well-nigh impossible. Geertz identified a group of Reform Moslem entrepreneurs who were rational and calculating enough to satisfy Max Weber on ideological grounds; but they were denied the institutional protection of state bureaucracy granted to the existing corporations and so their version of capitalism remained stunted at birth. Here and in his later work on the Moroccan *suq* (1979), Geertz pointed out that modern economics uses the bazaar model to study the decisions of individuals in competitive markets, while treating as anomalous the dominant monopolies protected by state bureaucracy. Economists found this model in the late nineteenth century, just when a bureaucratic revolution was transforming mass production and consumption along corporate lines and the more powerful states were consolidating national capitalism.

Geertz's Javanese bazaar essay was twinned with another on Bali. There, some members of a caste of royal princes had taken up owning factories, the main point of which was to keep an army of political supporters employed. Their management of these enterprises owed little or nothing to the principles of economics. They kept their workers on under all circumstances, regardless of profit, since what mattered was maintaining followers. This story could be seen as an ironic allegory of socialism, the other side in the Cold War and the subject of the next chapter.

Most readers of this book live substantially inside what we may call the formal economy. This is a world of salaries or grants, payments of rent or towards a mortgage, clean credit ratings, fear of the tax authorities, regular meals, moderate use of stimulants and good health cover. Of course households suffer economic crises from time to time and some people feel permanently vulnerable, not least students. But what makes this lifestyle 'formal' is the regularity of its order, a predictable rhythm and sense of control that we often take for granted.

After completing a doctorate based on field research in a West African city slum, where he found this implicit approach to the economy highly inappropriate, Hart (1973) tried to communicate his ethnographic experience to development economists. Lewis's (1978) dualistic model of developing economies was very influential at the time and the conceptual pair 'formal/informal' grew out of an attempt to figure out what happened to agricultural labour when it migrated to cities whose markets were only weakly organized by industrial capitalism. The formal and informal aspects of an economy are linked of course, since the idea of 'informality' is entailed by the institutional effort to organize society along formal lines. As we noted when discussing formalism in chapter 4, 'form' is *the rule*, an idea of what ought to be universal in social life; and for most of the twentieth century the

dominant forms have been those of bureaucracy, particularly of national bureaucracy, since society has become identified to a large extent with nation-states.

In development policy-making circles, the global crisis of the early 1970s manifested itself as fear of 'Third World urban unemployment'. Cities there were growing rapidly, but without comparable growth in 'jobs', conceived of as regular employment by government and the corporations. It was held by Keynesians and Marxists alike that only the state could lead an economy towards development and growth. The question was therefore: how are 'we' (the bureaucracy and its academic advisors) going to provide the people with the jobs, health, housing etc. that they need? And what will happen if we don't? The spectre of urban riots and even revolution raised its head. 'Unemployment' evoked images of the Great Depression, of crowds of broken men huddling on street corners.

This whole story didn't square with Hart's fieldwork experience over two years in the slums of Accra. He wanted to persuade development economists to abandon the 'unemployment' model and embrace the idea that there was more going on in the grassroots economy than their bureaucratic imagination allowed for. He had no ambition to coin a concept, just to insert a particular ethnographic vision of irregular economic activity into the on-going debates in the development industry. But a report on Kenya for the International Labour Office (1972) did want to coin a concept – 'the informal sector' – and that is what it has subsequently become, a keyword helping to organize a segment of the academic and policy-making bureaucracy. So it would be fair to say that the idea of an 'informal economy' has a double provenance reflecting the two sides of development: bureaucracy (the ILO) and the people (ethnography).

No one could have anticipated what happened next: under a neoliberal imperative to reduce the state's grip on 'the free market', national economies and the world economy itself were radically informalized. Not only did the management of money go offshore, but corporations outsourced, downsized and casualized their labour forces; public functions were privatized, often corruptly; the drugs and illicit arms trades took off; the global war over 'intellectual property' assumed central place in the drive for profits; and whole countries, such as Mobutu's Zaire, abandoned any pretence of formality in their economic affairs. Here then was no 'hole-in-the-wall' operation living in the cracks of the law. The market frenzy led to the 'commanding heights' of the informal economy taking over the state-made bureaucracy. So 70–90 per cent of African national economies are now said to be 'informal' and the convergence of legal and illegal forms of capitalism has reached the point where it is hard to tell them apart. In 2006, the Japanese electronics firm NEC discovered a criminal counterpart of itself, operating on a similar scale under the same name and more profitably because it was wholly outside the law (Johns 2009).

The informal economy has come a long way as a result of neoliberal globalization. Perhaps it is time to be more discriminating in our approach to unregulated economic activities. Even so, if 'development' is the aspiration to raise living standards around the world, some attempt must be made to harness the co-ordinating power of bureaucracy to the self-organized energies of the people (Guha-Khasnobis et al. 2006).

Beyond Development?

The premise of rich countries helping the poor to 'develop', first in their capacity as colonial masters and then within a framework of national independence, did have some force in the immediate post-war decades. But three decades of neoliberal globalization have undermined all that. When debt repayments have drained income from the poor countries, governments' ability to protect their citizens has been undermined by structural adjustment and aid levels have shrunk to the point of being merely symbolic, it is not surprising that many now see *development* as a hypocritical claim to moral

superiority on the part of the rich that obscures the economic realities of our world. So advocates of a 'post-development' approach have suggested that development is now over (Rahnema and Bawtree 1997). They prefer to focus on social movements, such as those brought together by a series of World Social Forums over the last decade, that challenge the premises and practices of neoliberal globalization. Critical anthropologists like Ferguson (1990) and Arturo Escobar (1996) claim that 'development' is just a way of talking ('discourse') without any real impact on actual societies, beyond cynical maintenance of a status quo in which some of the rich are getting very much richer, while the poor are definitely not getting any less poor.

In the Great Depression, Keynes (1936) offered a practical solution to national elites concerned that their governments would be overwhelmed by the poverty and unemployment generated by the economic collapse: increase the purchasing power of the masses. The rich countries today are similarly cast adrift in a sea of human misery that includes most people alive. Marx argued that the social relations of production act as so many fetters on the development of the productive forces, by which he meant that capitalist markets could not organize machine production for the benefit of society as a whole. The main fetter on developing the human economy today is the administrative power of nation-states, which prevent the emergence of new forms of world economy more appropriate to the conditions of global integration that have arisen so recently. This also prevents implementation of a Keynesian programme that would alleviate world poverty by transnational redistribution of purchasing power.

There is a great lie at the heart of modern political economy. We live in self-proclaimed democracies where all are equally free as a universal principle. Yet we must justify granting some people inferior rights; otherwise functional economic inequalities would be threatened. This doublethink is inscribed in the DNA of the modern nation-state. Nationalism is racism without the pretension to being as systematic or global. So-called nations, themselves often the outcome of centuries of unequal struggle, link cultural difference to birth and define citizens' rights in opposition to all-comers. The resulting identity, built on territorial segmentation and regulation of movement across borders, justifies the unfair treatment of non-citizens and makes people blind to the common interests of humanity.

The pervasive dualism of modern economies derives from the need to keep apart people whose life-chances are profoundly unequal. When Engels (1845) came to Manchester, he noticed that the rich lived in the suburbs and worked in the city centre; and they rode to and from their businesses along avenues whose façade of shops concealed the terrible housing conditions of the slums behind. Post-apartheid Johannesburg takes this to extremes, with the gated communities of its rich white Northern suburbs policed by private security firms, while poor blacks still crowd in monochrome townships. The apartheid principle is now to be found everywhere in local systems of discrimination, more or less blatant.

The historical relationship between the peoples of rich and poor countries is one of movement in both directions. If the decades before the First World War were an era of 'globalization' marked by mass migration of Europeans to temperate lands of new settlement and of Asian 'coolies' to tropical colonies, our own period has seen migration of the inhabitants of poor countries to the main Western centres. Western capital unified the world economy and the rise of large-scale machine industry encouraged the emergence of a high-wage economy at home separated from the cheap labour of the colonies. Now the cheapest agricultural products come from Brazil, the cheapest manufactures from China, the cheapest information services from India, and the cheapest educated migrant labour from the ruins of the Soviet empire. Following a wave of immigration from poor countries encouraged by three decades of neoliberal economic policies, Western workers are facing increased competition both at home and abroad, just as capital has become truly global for the first time by diffusing to new zones of production and accumulation, notably in Asia. Keeping high- and low-wage labour streams apart

through systematic racial discrimination has been elevated to a universal principle of world society, replicated at all levels more or less overtly.

Conclusion

Sooner or later, economic and political crises will force a reconsideration of the principles organizing the world's human economy. Anthropologists need to show not only how people organize themselves locally in the face of global inequality today, but also how society might be made more just. This involves a fundamental critique of current ideas and practices carried out in the name of 'development'. Lately there has been growing insistence in the rich countries on ecological or environmental imperatives, usually referred to as 'sustainable development'. The premise here is that the poor cannot become like the rich since there is not enough of everything to go around. Making a virtue of their own economic and demographic decline, Western (and some Asian) countries have revived a 'limits to growth' argument that was first aired in the 1970s (Meadows et al. 1972). Elites have always been concerned that unchecked population expansion by the poor was a threat to their own security and this has now reached global proportions.

The rich countries propose to cap the greenhouse gas emissions of developing countries at a lower level than those of the United States and the European Union. Brazil, India, China, South Africa and the other major players in the global restructuring of capitalism today object, not unreasonably since the West is responsible for the great bulk of the carbon dioxide already in the atmosphere. Both the Brazilian and Chinese leaders joked at the 2009 Copenhagen summit on 'global warming' that the United States is like a rich man who, after gorging himself at a banquet, then invites the neighbours in for coffee and asks them to split the bill. Imagine how Germany and the United States would have reacted if Britain, on losing its commanding position in the world economy, had suggested that they curb their development in the name of 'sustainability'.

The old premise of development still holds true for the vast majority of people alive. They want to be full citizens of a world whose privileges they can see on television. They want more than they have already, not to be told that it is time to tighten their belts. Africans still have lots of children because they lose them more often. If their population doubles every three decades, this reflects the limited improvements made in protecting them from war, disease and famine. But they know they have a long way to go before they will enjoy the modern economic benefits that are taken for granted in the West (where they may not last forever). Until then, the drive for development will continue to drown voices urging limitation for the environment's sake.

7

The Socialist Alternative

We have noted that the socialist critique of capitalist market economy was influential in shaping economic anthropology, from its beginnings in the nineteenth century to the Western Marxists of the 1960s and 1970s. This mostly took the form of applying the concepts of socialism and related currents in Western thought to a range of non-Western societies. Was there an Asiatic mode of production? Was there a feudal mode of production in Africa? Could Prince Peter Kropotkin's (1902) theories of mutual aid illuminate mutual exchange among Bushmen? Could contemporary peasants be theorized as 'petty commodity producers'?

In contrast, the questions we pose in this chapter concern countries that have sought more or less systematically to create socialist forms of society and economy as alternatives to those of market capitalism. From the Russian Revolution of 1917 onwards, the everyday human economies of 'actually existing socialism' were effectively closed to social science investigators, so that both Cold War political invective and the sectarian struggles within Western Marxism proceeded in ignorance of what was actually unfolding in the largest state in the world. Following the Second World War the USSR was the unchallenged leader of an international alliance. The golden age of economic anthropology coincided not only with the protracted boom generated in the West by 'embedded liberalism' (Ruggie 1982), but also with the apogee of the socialist alternative, which was dominant across the northern