

A Guide to Subsistence Affluence

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Abstract

The expression *subsistence affluence* is a catchphrase for certain perceptions of reality in Papua New Guinea, and after 50 years it still actively conditions opinions of the country (even though its population has trebled in the meantime). The paper examines antecedents of the concept in the economic and anthropological literatures, in which Polanyi's dichotomy between substantivist and formalist analyses bulks large. E K Fisk, the originator of 'affluence', is placed in a lineage of economists including Lewis, Myint and Bauer (all owing much to Adam Smith), although his own adherence to neoclassical assumptions and method is emphasized. The paper describes WR Stent's attempt to build on Fisk, achieving an 'adaptive use' of neoclassical method to take account of 'hybrid' (ie, non-maximizing) behaviours, and set in a context of competing theories ranging from Boeke's 'dual economy' to those of the Chicago School. Among anthropologists, the paper considers the 'original affluence' of Marshall Sahlins and (among the critics) Chris Gregory on *Gifts and Commodities*. The account of *New Guinea Stone Age Trade* by Ian Hughes is seen as offering a counterpoint to Gregory, while Richard Salisbury's formalist and eclectic take on the subject is also considered. A proposition, that the existence of subsistence affluence in 1960s PNG was due to its being somehow a 'special case', is examined through the politely sceptical eye trained on the country by the Faber Mission in 1972. For an independent perspective, the paper turns to Keith Hart (a member of the Faber team) for his account of the transition from subsistence in West Africa (a region to which Fisk was prepared to extend his concept of affluence). The paper concludes by considering what, if any, utility may still reside in the several conceptions of 'affluence' proposed as having existed in PNG.

Keywords: subsistence affluence; Papua New Guinea; economic anthropology; E. K. Fisk; Keith Hart; gifts and commodities; specialization and exchange; W. R. Stent; formalism; substantivism

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A guide to subsistence affluence¹

From the 1960s, the expression *subsistence affluence* became a catchphrase for certain perceptions of reality in Papua New Guinea (PNG). For better or worse, this verbal capsule has conditioned the attitudes of commentators, both citizens and foreigners, on matters New Guinean. The idea of subsistence affluence has been extended beyond the shores of PNG to the broader Pacific geography of small island states. There it can still conjure up an image of languid island ease and plenty, while sometimes also encouraging a dangerous complacency. Quite recently, for example, a Pacific journalist criticized the regional media for being ‘too quick to buy into "Pacific paradise"/ "subsistence affluence" theories’ (Singh 2011). But more often nowadays the mention of ‘affluence’ provokes rebuttal, and discussion of the growing reality of poverty in parts of the island Pacific region², including PNG.

Against this background, it may be useful to examine the antecedents of the concept. For this, it will be necessary to consider the economic and anthropological literatures from which sprang a variety of conceptions of ‘original’, ‘primitive’ and ‘subsistence’ affluence. Discussion will be confined primarily to the circumstances of Papua New Guinea, where the idea of subsistence affluence was first introduced into the policy discourse.

1. The Origins of ‘Affluence’

The publication of J K Galbraith’s *The Affluent Society* in 1958 influenced both the popular vocabulary and contemporary political and economic thought. A subsequent essay titled *The Original Affluent Society* (Sahlins 1972a) was intentionally referential of Galbraith. Sahlins set up a construct, ‘the road to affluence’, in direct opposition to the Galbraithian notion of material affluence in the industrial USA. He described a kind of affluence, or plenty, enjoyed by ‘primitive’ peoples, drawing upon the observations of a number of early explorers and travelers, and with particular reference to the circumstances of hunter-gatherers. These early accounts noted both the simplicity of wants of such peoples as Kalahari Bushmen and Aboriginal Australians, and their capacity to satisfy their food and other material requirements with notably slight inputs of labour. This appeared to allow time for abundant leisure and seeming contentment, for by ‘[a]dopting the Zen strategy, a people can enjoy an unparalleled material plenty – with a low standard of living’ (Sahlins 1972a, 2).

¹ I am grateful for discussions with Ron Duncan, Scott MacWilliam, Ian Hughes and Keith Hart, although none of these friends should be held responsible for my views or the manner in which they are expressed here.

² See for example http://www.foreignminister.gov.au/speeches/1998/981217_aust_pacific.html

Karl Polanyi had earlier written of *The Economy as Instituted Process*, equating the ‘substantive’ and ‘formal’ meanings of ‘economic’ with, respectively, ‘subsistence’ and ‘scarcity’, considered as alternative existential states (Polanyi 1957, 243). This conception challenged an assumption on which conventional economic theory is grounded, that of generally-applicable scarcity in human societies. This paper will traverse the territories of formalist and substantivist anthropology insofar as these perspectives have been brought to bear on the phenomenon described as subsistence affluence.

We will also consider affluence in the writings of economists, and in particular the work of the influential ANU scholar E K (Fred) Fisk and his colleague Ric Shand, together with W R Stent, who would later continue and elaborate their analysis. These scholars used neoclassical marginal analysis and diagrammatic modes of presentation. This paper will avoid the geometry, however, in favour of a verbal presentation more appropriate to an interdisciplinary context. The contributions of other thinkers in the field, most importantly anthropologists, are in any case less amenable to the rigour – whether real or apparent – of formal diagrammatic analysis.

2. Fisk and ‘subsistence affluence’

Fred Fisk posited the existence of ‘special and unfamiliar’ problems of economic planning in the Papua New Guinea of the early 1960s, where the majority of the population was said to conduct its economic activities ‘within the framework of a primitive subsistence economy, largely isolated from the outside world, and in which exchange and the use of money is either unknown, or only marginally significant’. In formal terms, he conceived this ‘vast subsistence sector’ as a closed economy, or – more accurately – a multitude of relatively small, autarchic economies (‘subsistence units’). In each of these units, production and consumption were assumed equal and identical and external trade insignificant (Fisk 1962, 462).

Fisk aimed to construct a ‘simplified model of a pure subsistence unit ... entirely independent of the outside world for the necessities of life and all items of normal consumption’, providing its own ‘food, clothing, shelter, tools and recreational requirements from their own lands, fishing and hunting grounds’. His unit of analysis constituted ‘a fairly large group, such as a tribe or group of tribes, in the pre-contact situation’, which could be taken as ‘a reasonably close approximation to a pure subsistence unit’ (1962, 463). Whereas in principle the model could be applied to all PNG subsistence societies, in practice Fisk’s discussion centred on highlands societies, which were those most recently subjected to colonial influence and characterized by larger political groupings.

Certain empirical realities had to be accommodated within this ideal construct of a *pure* subsistence entity. While the model allowed for units to be quite variable in size, larger units were preferred for analysis because this enabled it to cope with complications posed by a particular form of highlands ceremonial exchange. This involved the rearing and cyclical exchange of pigs between groups. Each of the constituent groups produced pigs in a rota, with its output peaking and then declining, as it discharged its obligations to other groups in the 'pig cycle'. Over the whole cycle, lasting some years, total production and consumption of pigs within the unit was distributed among all the groups, and the overall equality of production and consumption was maintained. Fisk dealt with the pig cycle by defining his subsistence 'unit' as comprising a population of all the groups *among which* pig exchanges occurred. At this scale he had internalized these exchanges to his 'unit'.

Despite his assumption of pure subsistence, Fisk acknowledged the existence of exchange between even larger units. Such exchanges, however, would be 'relatively rare, and their effect on the forces determining production within the group will be minor' (1962, 463). This trade would not be 'economically significant', in terms of 'the volume and value of goods exchanged in relation to the total subsistence production of the group. There is often a certain amount of barter in items such as feathers, shells, salt, axe-heads, etc' (Fisk 1964, 161n). Fisk also made further allowance for exchange, which it will be convenient to discuss below, in connection with the demand side of his model.

Fisk's presentation shows the effort required to accommodate empirical reality. We see here the process of simplification, the resort to 'stylized facts', which is to a greater or less degree intrinsic to the building of neoclassical 'comparative static' models. Competent neoclassicists are not tempted to imagine that their constructs embodied in such models *are* the reality, rather than abstractions from it. Thus for Fisk, his model involved 'a recognizable caricature', but one in which '*the complicating details that we omit must be only those that do not materially affect the principles governing the interaction of the main factors retained in the model*' (Fisk 1962, 464, emphasis added).

Fisk's unit operated at a low-level equilibrium of pure subsistence agriculture, founded primarily on tubers as staple foods. The people had relatively abundant land resources and employed comparatively simple techniques of production requiring minimal capital accumulation or investment. Production levels were set by the maximization of returns per unit of labor, rather than per unit of land, in the context of a simple set of known production possibilities and modest consumption aspirations. With the limit of subsistence output set by a

demand ceiling rather than by scarcity, there existed within the unit a potential stock of untapped resources which could become available for use once its isolation was disturbed. This surplus might be measured either as a quantum of labour or of the subsistence output which that labour could produce.

Fisk's 'demand ceiling' was set at a level determined by the modest consumption aspirations of members of the 'unit'. This is akin to Sahlin's 'Zen affluence' – the state of enjoying plenty by reason of desiring little. Fisk posited an illustrative 'ceiling' demand for food in his subsistence community, set 'at a level of food consumption 25 per cent above that necessary to maintain the population in physical condition to provide their full potential supply of labour'. The level of the ceiling 'will be a function of population, physical activity and a number of social and cultural factors (including the pig cycle) and could be empirically established in any specific community'. The 'social and cultural factors' at work included 'the amount of leisure regarded as desirable for ceremonial and recreational activities' (Fisk 1962, 466-7). This appears to make allowance for exchange additional to the pig cycle, the production needs of which are accommodated within the capacity of the unit.

In Fisk's terms, 'subsistence affluence' was

'a condition in which population pressure on land resources is relatively light, productivity per unit of applied labour (as distinct from available labour) is very high, and most subsistence agriculturalists are able to produce as much as they can consume (with satisfaction) of their main essential requirements, and to sustain an adequate level of living by their traditional standards, at the cost of as little as fifteen or twenty hours labour a week (Fisk 1971, 368).

This condition of surplus (only later labeled 'affluence', as in the passage cited above) was dependent upon a favourable balance between population and land resources, at a given level of agricultural technology. It was not a permanent condition and would be eroded over time, *ceteris paribus*, by population growth (Fisk 1962, 469ff).

In summary, Fisk's initial model examined the conditions under which the potential surplus within the subsistence sector could be made available for development. Fisk was content to apply neoclassical economic theory to subsistence agriculture after making some accommodation to cultural circumstances. He was heavily reliant, for his understanding of these circumstances in PNG, upon two 'in press' anthropological studies (Salisbury 1962, Brookfield and Brown 1963) which became available to him after he arrived at the Australian National University (ANU) from Malaya in 1961. In particular he appears to have been profoundly influenced by Salisbury's work. This described the impact on the agro-economy of the highland Siane people of the replacement of their traditional stone axes by introduced steel tools.

It is not clear to what extent Fisk's regard was reciprocated by Salisbury, who would much later offer an alternative conception of 'affluence'. An unabashed anthropological formalist, Salisbury credited the influence of the neoclassical economist and methodologist Lionel Robbins (1935) on his approach to fieldwork. He had set out to describe activities 'in which [the Siane] appear to organize their behavior in terms of a rational calculation of the quantities of goods or services produced, exchanged or consumed, in such a way as to allocate scarce means to meet competing ends' (Salisbury 1962, 3-4). This approach was no doubt congenial to Fisk, who took Salisbury's field data as the empirical foundation of his model.

The anthropological-cum-geographical field study of Brookfield and Brown, set in the more densely-populated Chimbu region of the highlands, also contributed to the model's empirical underpinnings. The contrasting situations of the Siane and the Chimbu enabled Fisk to draw lessons concerning the development potential of more- and less-affluent populations, and to emphasize the time-bound nature of affluence itself. Over time, population growth tends to reduce the surplus available for development, at the traditional level of technology. The level of technology is not set in stone, however. Fisk considered the efficacy of various productivity-enhancing innovations in the more- and less-affluent situations. These included improvements to 'the technology and skills applied' and 'the tools and capital expenditure necessary for their application'. His model suggested that 'where population pressure on the land has not yet developed, as with the Siane, a great deal can be achieved by the introduction of simple technological improvements of the labour-saving variety, which can be effected with little drain on the scarce capital resources of the advanced sector'.

But where greater population pressure existed, as in Chimbu,

'technological change of this type has little effect on productive capacity; in such cases additional assistance from the advanced sector is essential, for the required increase in production can only be achieved by increasing the effective quality or quantity of the land available. This means either investment in land improvements (such as irrigation, fertilizer, drainage, etc) or in settlement of part of the population on new land – all of which are liable to be expensive' (Fisk 1962, 468).

Fisk's essential model, never significantly modified, was conceived quite soon after he arrived at the ANU in 1961. He did have some afterthoughts in light of subsequent research, discussed below (Fisk 1975) but the work conducted by Fisk, Shand and others of their colleagues over a number of years from 1961 was devoted to the original model's elaboration, empirical testing and policy application. The following sections deal with its elaboration.

3. Engaging with the 'advanced' sector

Fisk's second paper (1964) described a 'next stage' in which the subsistence economy becomes engaged with the advanced sector. Cultivators may be induced to engage in some cash cropping for export and other money-earning activities, but these are simply 'supplementary'. The explanation of their response to economic opportunities was marginalist, couched in terms of utility maximization (the utility of money in consumption) and the returns to labour (the cash return per unit of labour engaged in production).

On the consumption side, Fisk posited the existence of labour supply curves relating the total supply of labour to different levels of the utility of money. Money has little utility when market supplies of exotic commodities are limited ('the odd stick of tobacco'). Once consumers become satiated with the few 'incentive goods' available, labour will be withdrawn – the 'backward-bending' supply curve of labour. This occurs because 'the utility of incremental units of money will fall below the utility of incremental units of leisure (or negative labour)' (Fisk 1964, 168). However the utility of money will increase if a greater range and larger supply of exotic goods and services become available and as prices fall with improved transport and competition among suppliers. If it is possible to achieve the increasingly effective linkage of subsistence units with the wider world of markets, this will result in growing supplies of purchasables and an increasing utility of money in consumption.

On the production side, cultivators are assumed responsive to the market returns available to their labour in growing cash crops (the cash return per unit of labour). This in turn depends on the net price received by producers. Cash returns will improve as a critical mass of producers is achieved. Fisk invoked 'Marshallian increasing returns from external economies' as a mechanism which would lower processing and marketing costs, as it became economic for services such as transport to be provided more regularly and cheaply (Fisk 1964, 164). The 'intrusion' of external forces from the advanced sector, whether private capital or government, had the potential to accelerate these processes. Fisk left off at the point where available labour resources in the (no-longer 'pure') subsistence economy are fully employed in producing the customary subsistence food requirement, together with a 'supplementary' output of export crops from which cash is earned.

This end-point, with the traditional subsistence sector intact and its people still self-sufficient in food, amounts to saying that there had not yet been any replacement of subsistence foods by 'imported' foodstuffs. Fisk left it to his colleague Shand to take up the narrative, and to conduct the reader through the processes by which food becomes a marketable commodity. Before considering the contribution of Shand, however, it may be useful to consider the intellectual context of Fisk's work. This may clarify some of his arguments, placing them in a broader economic tradition and suggesting the influence of some precursors.

4. Fisk's antecedents

Fisk was frugal with citations and other references to the economic literature – a not uncommon practice at that time. This poses difficulties for attempts to link his thinking with that of intellectual predecessors, although his memoir provides some clues. He recorded having 'avidly' read 'the works of Agarwala and Singh, Arthur Lewis, Ragnar Nurkse, and Benjamin Higgins' from 1958, by which time 'new tools of analysis dealing with the economics of under-development were beginning to become available' (Fisk 1995, 195). Fisk set his model in a dual-sector framework ('subsistence' and 'advanced') which indicated an intellectual debt to WA Lewis (1954), whose influence he later acknowledged (1995, 167).

It is difficult to imagine he was unaware of Bauer and Yamey's *The Economics of Under-Developed Countries* (1957) although Bauer is not cited by Fisk in any of his writings. Fisk may have been repelled by Bauer's views on the inherent capacity of particular races for economic development, including his negative evaluation of the indigenous Malays (for whom Fisk was a vigorous advocate) vis-à-vis Chinese immigrants in Malaya. The following from Fisk's memoir is useful in suggesting both his championship of the Malays and his thinking immediately before he made the acquaintance of any Papua New Guineans:

'Malay village society was supportive of its members. The Malay individual was normally too intelligent to work long hours for low returns in a boring and useless job. In the 1950s most Malays, if they chose, could leave a wage job and return to their family in the *kampong* to live quietly doing casual village work without fear of starvation ... It was *not by any means an affluent or easy way of life*, but on the other hand it was not unduly arduous or harsh, and was traditionally acceptable' Fisk 1995, 177-78, *emphasis added*).

This passage is instructive because it invites direct comparison with Fisk's impressions of PNG village life just a few years later. On his first visit to Goroka in 1961 he found 'little indication of the poverty I had expected. These people seemed to have more leisure, more adequate food supplies, and generally to be considerably better off than quite a lot of villagers of South and East Asia whose average incomes were recorded as being very much higher'. Salisbury's *From Stone to Steel* 'gave me the clue' and 'stimulated me to undertake a program of empirical studies directed at exploring this phenomenon, followed by an attempt to build a theoretical framework to fit the facts' (Fisk 1995, 231).

And yet, aside from his acknowledged debt to Salisbury, it is difficult to escape the conclusion that Fisk had also been influenced by reading Bauer. The parallels are inescapable; for example, they shared the classical preoccupation with specialization and exchange and the gains from trade, while relying on orthodox microeconomic analysis for the exploration of these concepts. Each was unusual for his interest in the subsistence sector, which both believed had been

grossly undervalued. Both, moreover, were critical of inadequate colonial statistics for fostering this misperception. Each emphasized the capacity of subsistence resources to finance investment. Both stressed the importance of linkages between the subsistence sector and the 'advanced' economy, to increase the cash returns of subsistence cultivators and the utility of cash to them in consumption. Each relied on a limited reading of formalist economic anthropology for the cultural 'specifics' which informed their economic analysis (in Bauer's case, Raymond Firth and Sol Tax). Bauer saw a lesser role for government than Fisk, who canvassed a number of interventionist initiatives. However the very different circumstances of Bauer's colonial West Africa and Malaya (as compared with Fisk's PNG) may provide some explanation of this difference. Fisk was no economic libertarian, whereas Bauer is nowadays celebrated in such circles.

Another influence may have been the modern development economist Hla Myint – though, if so, it was also unacknowledged. Myint (1971, xi) described himself as 'a firm believer in the fruitfulness of the older, classical economic theory in the study of the underdeveloped countries'. Crucial elements in the argument of Fisk's 1962 and 1964 papers appear to correspond closely with Myint's (1954, 1958) application of the Smithian theory of international trade to contemporary conditions. Fisk would have encountered the first of these when reading Agarwala and Singh, while the latter appeared in the *Economic Journal* when he was beginning his study of the field. But perhaps it is better to suspend speculation, and instead to look for evidence, internal to Fisk's model, of Myint's influence.

Early in the post-war revival of concern for 'development' in economics, Hla Myint (1954) considered the nature of economic 'backwardness'. To examine this condition, it was necessary 'to go behind the "veil" of conventional social accounting' and to consider 'the real processes of adaptation between wants, activities, and environment'. It was necessary also to distinguish between 'subjective' and 'objective' understandings of backwardness – with the latter conceived in terms of 'the economics of stagnation, low per capita productivity and incomes', as conventionally measured. Subjectively, though, 'the situation may not appear so gloomy', for

'Many of the backward countries before they were 'opened up' were primitive or medieval stationary states governed by habits and customs. Their people might live near the 'minimum subsistence level' but that, according to their own lights, did not appear too wretched or inadequate. Thus in spite of low productivity and lack of economic progress, there was no problem of economic discontent and frustration: wants and activities were on the whole adapted to each other and the people were in equilibrium with their environment. This is not to say that everything was idyllic: there may have been frequent tribal wars and insecurity of life and property. But on the whole it is fair to say that there was no 'problem' of backward countries in the modern sense' (Myint 1954, 149-50)

In Myint's conception of 'wants and activities' adapted to one another, and in his 'equilibrium' of 'backward' people in their home environment, it is fair to see premonitions of both Sahlins (the state of enjoying plenty by reason of desiring little) and of Fisk (the condition of subsistence affluence). Myint's focus on how such societies are 'opened up' reinforces the parallel with Fisk.

Later he considered the possibility that a country ('a hitherto isolated underdeveloped country') could be opened to international trade by securing a 'vent for surplus' (Myint 1958). The idea of vent for surplus derived from Adam Smith via J S Mill (Myint 1971, 120n) and suggested the possibility of overcoming the narrowness of internal markets by exporting product surplus to domestic requirements. Ideally this process would lead to an improved division of labour and higher levels of domestic productivity. Even in the absence of such productivity gains, however, there might still be gains from trade where, for example,

'the export crop happened to be a traditional crop (e.g., rice in South-East Asia), the expansion in export production was achieved simply by bringing more land under cultivation with the same methods of cultivation used in the subsistence economy. Even where new export crops were introduced, the essence of their success as peasant export crops was that they could be produced by fairly simple methods involving no radical departure from the traditional techniques of production employed in subsistence agriculture (Myint 1958, 328).

Myint cited the historian McPhee, who wrote, of the expansion of oil-palm and ground-nut exports in West Africa, that these 'made little demand on the energy and thought of the natives and they effected no revolution in the society of West Africa. That was why they were so readily grafted on the old economy and grew as they did' (McPhee 1926, 39-40).

Myint concluded that, instead of Smith's productivity gains 'based on continuous improvements in skills, more productive recombinations of factors and increasing returns', a simpler and less transformative process was occurring. This was production 'based on constant returns and fairly rigid combinations of factors'. Such a process was sustainable only insofar as adequate supplies of the necessary factors (land and unspecialized 'peasant' labour) continued to be available (Myint 1958, 321). On the other hand, from the viewpoint of such a country, 'surplus productive capacity suitable for the export market appears as a virtually "costless" means of acquiring imports and expanding domestic economic activity. This was how Adam Smith used it as a free-trade argument' (Myint 1958, 322).

Under these conditions the function of trade was 'to provide the new effective demand for the output of the surplus resources which would have remained unused in the absence of trade. It follows that export production can be increased without necessarily reducing domestic production' (Myint 1958, 321). This is precisely the point at which Fisk completed the

exposition of his second paper (section 3, above), with producers still continuing to provide all of their subsistence needs while expanding production of export crops (Fisk 1964).

Had Fisk been aware of Myint's argument, its attraction for him might have resided in the latter's claim that 'it is especially in relation to those underdeveloped countries which started off with sparse populations in relation to their natural resources that we shall find Smith's "vent-for-surplus" approach very illuminating'(Myint 1958, 324). Surplus labour existed in such countries, despite the sparsity of their populations, because 'in [their] subsistence economies, with poor transport and little specialisation in production, each self-sufficient economic unit could not find any market outlet to dispose of its potential surplus output, and had therefore no incentive to produce more than its own requirements'(Myint 1958, 328).

As he put it, Myint had painted a 'picture of discrete blocks of surplus productive capacity being drawn into a widening circle of money economy and international trade' (1958, 330). This is wholly consistent with the operation of the Fisk model, and with its elaboration by Shand (as we shall see below). The circle was widened by improvements in transport (a factor emphasized by Smith) and other improvements to economic organization, including the availability of marketing facilities and imported consumer goods. The expansion could continue, as we have seen, so long as surplus resources of land and labour were available. Past that point, growth would depend on the productivity gains which Smith had anticipated, based on growing skill levels in a previously undifferentiated workforce, together with the 'more productive recombinations of factors and increasing returns' to which Myint had referred. Fisk (section 2, above) and Shand (below) would also emphasize the importance of securing productivity gains, though the novelty of their approach lay in their insistence on the importance of increased productivity in *subsistence* agriculture, rather than in the more obvious field of export cropping.

Of three writers mentioned here as possible precursors of Fisk's model of subsistence affluence, he acknowledged only W A Lewis. Both Bauer and Myint shared with Lewis an express dedication to applying principles of classical economic theory to conditions in the 'underdeveloped' world. One could conclude that they had simply contributed to a climate of opinion which Fisk absorbed in the late 1950s, as he prepared himself for a career in development economics. Perhaps this is sufficient explanation of the numerous 'correspondences' identified here between Fisk's ideas and those of Bauer and Myint. But neither Bauer nor Myint was mainstream in the contemporary orthodoxy and neither (certainly not Bauer) could be said to have shaped a 1950s 'conventional wisdom'. Fisk had been at Oxford at a time when older British economists were still more inclined to 'make it up' than to 'look it up'. Is it not likely, then, that his theorizing drew on texts read and absorbed, but not consciously acknowledged? This seems plausible in the case of texts, such as those of Bauer and Myint, so resonant with Fisk's own previous experience as Malayan colonial administrator.

5. The development of specialization and trade: R T Shand

R T (Ric) Shand progressed Fisk's argument by considering 'the development of specialization and trade within the subsistence sector, the application of improved technology, and the augmentation of available resources' (Shand 1965). He disclaimed any particular originality, describing the analysis as 'little more than an adaptation to the peculiar conditions of primitive economies of elementary production and trade theory' (1965, 193). At issue was how 'to promote improvements in subsistence production and specialization between different units, involving trade in subsistence goods' and the realization of gains from trade. He argued that concentrating simply on the resource productivity of export cropping while neglecting the productivity of subsistence production would impede the development of specialization and trade.

Shand operated at a lower level of analysis than Fisk. His 'unit' was the single household or family, a focus better able to accommodate social change in the subsistence sector, as economic activity became more individualized. Shand had no difficulties in relation to the question of traditional exchange – with which Fisk had to deal in defining his pure subsistence unit – because his was a scenario of mixed subsistence and commodity production. Shand's technical apparatus included indifference curves, to reflect consumer preferences, and a production possibility frontier, along which there is a trade-off between subsistence and export cropping. Possibilities of technological change were explored, with Shand wielding Salisbury's axe to show how the output mix might change as steel revolutionized subsistence production. With greater commodity specialization, subsistence crops would earn cash for some household units, and local produce markets would be established for the first time. Other households would become dependent on those markets for a proportion of their subsistence needs.

Shand completed his argument by showing that specialization would prove profitable where there were increasing returns to factor inputs (due, *inter alia*, to Fisk's 'Marshallian external economies'), or where physical conditions endowed householders with comparative advantage. He considered possible impediments to specialization – low resource-productivity in cash cropping, uncertainties in the dependability of supplies of marketed food, high transport costs – all at least implicit in Fisk's analysis, but left to Shand for formal treatment. The latter advanced the argument by suggesting a necessary (albeit revolutionary) monetization of markets for land and labour, to permit 'a greater degree of commercialization of units on the factor side of production' (Shand 1965, 205).

6. The apotheosis of subsistence affluence and the achievement of bliss

Considered as an economic construct amenable to formal analysis, the 'Fiskian' idea of subsistence affluence found its apotheosis in the work of W R (Bill) Stent. He had been a *didiman* (agricultural officer) in the colonial administration of PNG in the 1950s, and later an academic economist. Stent was later both a student and colleague of Colin Clark, himself among the earliest economists to give close attention to subsistence agriculture (Clark and Haswell 1964). Initially, Stent extended Fisk's model by introducing the concept of a 'closed' utility map which recognized that 'goods' could become 'bads' if consumed to excess (Stent 1973). This is not a standard assumption in the utility functions of neoclassical analysis (or at least is not often explored) since it introduces the satiation of wants into a mode of analysis in which insatiability and constrained equilibria are the norm. He next developed this model to a more sophisticated level in collaboration with the economic theorist L. Roy Webb (Stent and Webb 1975). His treatment of the subject was later extended, with a more nuanced appreciation of the anthropological issues and a review of alternative approaches to subsistence agriculture from the economic and anthropological literatures (Stent 1984). By contrast, Fisk and Shand had neither questioned nor qualified the application of neoclassical economic theory to the transition from pre-market subsistence. Nor is there evidence that their approach was much informed by knowledge of contexts other than those of recent and immediately accessible anthropological studies of a formalist cast.

Stent and Webb's intention was 'to provide further development of the theory of subsistence affluence and, in particular, to identify a number of *hybrid types* of economic activity in the transition from subsistence to a market economy' (emphasis added). The approach was formalist, at least to the degree 'that it is assumed, for example, that indifference curves are a useful method of analysis'. However this standard tool should be applied 'only after adaptation to incorporate significant features of Papua New Guinea economic behaviour'. In regard to the formalist/substantivist debate, they contended that 'orthodox techniques of economic analysis are neither wholly irrelevant nor automatically applicable to subsistence economies undergoing transition'. 'Useful insights may ... be obtained by *a sufficiently adaptive use of established techniques*' (emphasis added). But since market economies are characterized by 'constrained maximization' behavior, leading to 'stinted' equilibria, while 'affluent' economies are not so constrained, the results of such analysis are not always 'those which a simple transplant of orthodox analysis would suggest' (Stent and Webb 1975, 523).

Examples of 'hybrid types of economic activity' – involving behaviors apparently inconsistent with orthodox maximization principles – were drawn from Stent's close observation of the *Abelam*, a language-cum-cultural group of subsistence cultivators located around Maprik in the lowland Sepik region of PNG. These behaviours included the propensity of gardeners to devote

labour to widely-separated parcels of land for personal satisfaction, rather than on criteria of accessibility. This was due to a 'feeling of duty to the soil', carried to the point where the marginal productivity of land could become negative – as it might do 'where a gardener takes delight in cultivating all the land to which he has rights' – at the cost of longer cross-country walking times (Stent and Webb 1975, 526).

Another instance was the propensity of the gardener to derive pleasure simply from working in his gardens (at least up to a point, because the demand for labour by gardeners, as for yams, was considered 'satiating'). Stent claimed that 'he delights in his efforts, just as the Western rose-fancier would in the cultivation of his flowers' (Stent 1984, 35). Stent took this to require the inclusion of garden-labour in the household utility function, as a positive source of satisfaction. The analysis also considered the possibility that, in the early stages of transition from subsistence, commercial crops might be produced purely for prestige, in advance of any marketing opportunities. Again, as the transition proceeded, there might be a propensity for householders to continue to produce some food for own-consumption, under circumstances in which the goal of profit maximization would otherwise justify a fully specialized and commercial mode of farming.

These behaviours, 'hybrid' in the sense that they were evidence of continuing adherence to subsistence values and goals amid a changing agriculture, were examined by Stent and Webb. Employing the aforementioned 'adaptive use of established techniques', they developed a more elaborate version of the Fisk/Shand analytical geometry, using three-dimensional diagrams (with production and consumption 'possibility surfaces') to map successively more complex iterations. These took account of factor inputs ('land', 'labour') and a range of production and trade possibilities, incorporating the behavioural scenarios discussed above. Variants of the model depicted in this manner ranged from the initial situation of pure subsistence with a single product ('yams'), to an ultimate case where two tradable crops ('yams' and 'coffee') are produced, with the subsistence unit having the option of complete commercialization and the purchase of consumer requirements ('merchandise') from the market. For each case Stent and Webb determined a unique 'bliss' point, at which production occurred under conditions of subsistence affluence while the marginal conditions for neoclassical equilibrium were satisfied. Considered on its own terms, the Stent/Webb model is a *tour de force* of formal economic analysis applied in novel circumstances.

It remains to ask whether Stent's model is vulnerable to any reservations similar to those concerning Fisk's treatment of traditional exchange. Stent deals with exchange in the following manner:

‘the economic unit ... is the Abelam household. Although it is composed of several individuals, we may nevertheless assume it to have a single decision-making process and its own ‘utility function’. A simplifying function is that the household is self-sufficient. This holds true for almost all items, but not absolutely. For instance, labour is shared on a reciprocal basis and valuables are exchanged, again on a reciprocal rather than a market basis. It is further assumed that there is no saving and no waste so that consumption and production are identically equal’ (Stent 1984, 93).³

Stent, as Shand, chose the household as his unit. It was necessary for him to allow for exchange, at least between households, as in the passage just cited. He was spared the problem of dealing with pig exchange on the highlands model, although his Abelam villagers engaged in competitive yam exchange. This occurred among individuals within the village, and also on a group basis between hamlets and villages. The passage cited above deals with this exchange, which was conducted on the basis of an obligation to reciprocate in terms ‘precisely equal in value’ (Stent 1984, 44)⁴.

Stent did not refer to the Abelam’s engaging in exchange along traditional trade routes running through their territory from coast to interior. These had probably withered by the time of his arrival in the 1950s, for the Abelam had a history of labour migration, contact with European gold miners, and conflict during the Pacific war. His model described the Abelam at a stage in the transition from subsistence closer to that theorized by Shand, rather than the pure subsistence from which Fisk started. His discussion of certain ‘hybrid’ behaviours – growing coffee for prestige, continuing to produce food for own-consumption – was taken from observation of households in transition. Stent was under no obligation to account for vanished modes of exchange and one may conclude that his elaboration of the subsistence affluence model is even less vulnerable to challenge, on the score of the closed economy assumption, than was Fisk’s.

7. Other conceptions of subsistence agriculture and affluence

Stent also considered a number of economic models of household farms from the international literature, re-casting them for comparison in terms of his own theoretical apparatus (Stent 1984, Ch. 3). Here again discussion in this paper of Stent’s analysis is conducted in verbal, non-diagrammatic, terms. Although his focus was primarily methodological, it should be noted that

³ This is a corrected version of the original in Stent (1984), which was marred by a misprint causing the loss of two lines of text from page 83. The correction is from Stent’s PhD thesis (Stent 1979, 93).

⁴ Stent’s reference to exchange of ‘valuables’ is ambiguous; the *wabi* yams exchanged by the Abelam were of a ceremonial variety, distinguished by size rather than nutritional value. The *ka* yams mostly eaten by them were smaller. But Stent may also be referring to other traditional ‘valuables’ in addition to *wabi*. The equality of ‘value’ is to be understood in traditional, not market, terms.

none of these international studies gave serious attention to what is called here *pure* subsistence. They were, in general, set in cultural and institutional contexts very different from that of pre-Independence PNG⁵. The focus of economists on pure subsistence and the autarchic subsistence 'unit' seems to have been a peculiarly Australian (and especially ANU) preoccupation. Perhaps this stemmed from a sense that Melanesia (and PNG in particular) was different, a special case, and not only by reason of its late arrival on the stage of 'development'.

Stent's account of the Abelam was grounded in an exploration of the divergent approaches to development of the Dutch 'colonial economist' J H Boeke and the Nobel laureate T W Schultz (Stent 1984, 1-11). Boeke, known for his description of the 'dual economy' in the Netherlands East Indies, 'emphasizes the social constraints to economic development found in subsistence societies'. Schultz by contrast was concerned to loosen technological constraints, to be identified using marginalist tools, which Boeke had argued 'may not validly be applied to an economy in which two social systems, one "capitalistic" and the other "eastern", simultaneously appear'⁶. Neoclassical economic theory is not applicable to such circumstances and Boeke, moreover, 'was especially critical of the scarcity assumption'. Stent tied this criticism back to Boeke's conception of the limited wants of individuals in a traditional social setting, where their primary concern was to maintain 'social standing' by 'behaving in conformity with [community] rules and standards'. The implication is that Fisk's 'demand ceiling', rather than the scarcity on which orthodox economics rests, could be assumed to apply in such social settings where, if not 'affluence', then at least a modest sufficiency, is enjoyed (Stent 1984, 1-3).

In a famous study, *Transforming Traditional Agriculture* (1964), Theodore Schultz relied on field data collected by a formalist anthropologist, Sol Tax (1953). This approach – of heavy reliance on one or two congenial anthropological texts⁷ – is reminiscent of Fisk's dependence on Salisbury. By contrast with Boeke, Schultz discounted culture as a variable, asserting that traditional cultivators make production and investment decisions 'with a fine regard for marginal costs and returns' (Schultz 1964, 39; cited by Stent 1984, 8).

⁵ An Indian contemporary of Fisk commented, in the course of a discussion of household farm models, that '[t]he conservative homosociologicus peasant, the market-insensitive, immutable, unpersuadable peasant, the kin-bound, caste-bound, contented peasant seems to be disappearing – slowly but unmistakably. Hence the need for dominantly economic models to predict the behaviour of the "dual peasant" gradually shedding his old subsistence soul and strengthening his partly commercial soul' (Krishna 1969, 186). Nonetheless, 'dual' peasants will continue to exhibit 'hybrid' behaviours until the 'old subsistence soul' is completely gone (I won't say 'lost').

⁶ In this connection Boeke quoted Kipling, poet of the British *Raj*, to the effect that 'East is East and West is West, and never the twain shall meet'. Cited by Stent (1984, 2)

⁷ The book turns on two cases, in Guatamala and India. Schultz relied exclusively on Sol Tax for the former and on an unpublished thesis for the latter.

It is necessary to understand that such calculation is assumed to be instinctive rather than conscious, the result (in the cases considered by Schultz) of parsimonious management, by successive generations of peasants, of their extremely limited productive resources. The assertion, that such fine-grained economizing behavior occurs in traditional agriculture, stems from what might be called the 'as if' assumption. Cultivators are assumed to behave *as if* they were comparing marginal costs and returns, a premise justifiable not on grounds of observation, or still less plausibility, but 'solely on whether it yields sufficiently accurate predictions' about the outcomes of their decisions (Friedman and Savage 1948, 298). Such pragmatism underlies much analysis of human behavior associated with the Chicago School of economists, including human capital theory (with which Schultz is credited) and the 'New Household Economics' of Gary Becker (see below).

Stent concluded that 'Boeke's model, which is primarily sociological, is more in accord with the reality of traditional Abelam society than is that of Schultz'. However it could not be described with precision; Boeke's model 'is not amenable to formal representation'. Stent had accepted the challenge: to see 'whether formal models, based on marginal principles, may validly be employed in the analysis of *the type of subsistence agriculture practiced by the Abelam*' (emphasis added). An early 'international' model (Nicholls 1963) showed promise by dealing with the family farm as both a unit of consumption and of production. Stent found it wanting, however, because it required a Malthusian mechanism of population growth to achieve the necessary equality of production and consumption in a closed economy, occurring at the upper bound of productive capacity. This would not do for the Abelam, who (as well as being largely free from population pressure when Stent first knew them⁸) 'have developed a complex system of social forces which restrict the demand of individuals so that total production is constrained to take place well within feasible bounds' (Stent 1984, 57). These forces included 'the tendency for villages to fragment before reaching minimum subsistence levels' (Stent 1984, 115; also 98), or what Marshall Sahlins called a 'centrifugal tendency' leading to 'dispersion' (Sahlins 1972, 96-7).

Next, Becker's 'New Household Economics' was considered as a possible key, given its application by Becker and disciples to a wide range of human behaviours (Stent 1984, 58-59). Perhaps Becker's focus on households, considered as both producers and consumers and acting as 'central agents of the economy', might prove applicable to the Abelam household? However Becker's emphasis on time as 'the basic and universal "scarce resource"', and his concern for theorizing its allocation, posed problems. Stent's own experience suggested that 'the attitude of the Abelam towards time simply was not in accord with the theory's demands' (Stent 1984, 62-3). Thus, studies of agricultural households using Becker's approach to time-scarcity, for

⁸ Stent (1984, 24-45) provided a detailed account of the evidence for this judgment

example Benito (1976) and Stryker (1976), could not explain Abelam agriculture. And in any case, the New Household Economics was unacceptable for Stent's purposes because (as in the case of Nicholls) 'the theory is implicitly based on an insatiability assumption which ... is not applicable to the Abelam household', because 'the limit to traditional Abelam consumption has not been due to productive capacity but rather to sociological forces' (Stent 1984, 64).

Another model, that of Nakajima (1969), dealing with commercial family farms using only household labour, was awarded a higher grade by Stent. This was despite the fact that (to amplify a point made above) it appeared to stem from circumstances quite different from those of PNG. The model appeared best suited to the circumstances of 1960s Japan, but Stent thought certain of its specifications appropriate for PNG subsistence agriculture. Thus, while employing production and utility functions, Nakajima departed from neoclassical convention by assuming the satiability of consumption. The Japanese farm family worked towards an 'achievement standard of living', at which production and consumption attained a 'subjective equilibrium'. Beyond this, further consumption yielded no additional utility. This at least corresponded in some degree to the Abelam situation – the family farm was both a production and consumption unit, there was no market for labour, and consumption was limited by 'sociological forces' – but it differed crucially in that Japanese farm output was sold into a commercial product market⁹.

As we have seen, the Stent/Webb analysis attempted to deal with 'hybrid' behaviours of cultivators, occurring during the transition from subsistence, by applying a '*sufficiently adaptive*' use of neoclassical economic techniques. Their approach appears genuinely innovative in a number of respects, including their denial both that goods always yield positive, and that labour always involves negative, utility. Their position required 'the assumption that labour is an argument in both the utility and the production functions' (Stent and Webb 1975, 526), a proposition which subverted formalism's automatic acquiescence to neoclassicism. On a lighter note, we could acknowledge that they added two terms, *bliss* and *stintedness* to the

⁹ Despite this incomplete correspondence, the appearance of Nakajima's work caused Fisk to reflect on his own model. 'Since then more sophisticated and complete systems of analysis of *subjective equilibrium* have become available, of which I particularly admire those of A K Sen and Chihiro Nakajima (Fisk 1975, 54 emphasis added). The latter is the model considered by Stent, above. Fisk adopted the Nakajima usage 'subjective equilibrium' as appropriate for his own subsistence cultivators, and with the advent of Sen and Nakajima's 'sharper analytical tools', he admitted that 'for most purposes I regard my earlier attempt as superseded' (Fisk 1975, 55). Fisk did not discuss Sen (1966) but he applied Nakajima's technical apparatus to a wider range of possibilities (corresponding to those he and Shand had modeled in the progress of the pure subsistence unit to market exchange). Fisk (1975) was satisfied to see his original arguments substantially confirmed by this exercise and took the opportunity to refine and repeat his conclusions from the earlier papers.

rather bland vocabulary of microeconomic analysis – though there is little evidence of subsequent ‘takeup’. Their analysis is less vulnerable than Fisk’s to criticism concerning the ‘closed economy’ assumption. Stent is also distinguished from his economist predecessors by a depth of personal observation and awareness of the ethnographic literature.

It is now timely to consider some anthropological contributions to the discussion of affluence. The anthropologists to be discussed here are, in general, a more heterogeneous group, with a range of views on the topic. They are differentiated by their varying stances on the role of economic theory in their discipline, or indeed on what *genus* of economic theory, if any, might be applied.

8. ‘The question of exchange’: Gregory’s *Gifts and Commodities*

C A Gregory’s study *Gifts and Commodities* (1982) proposed a framework for the analysis of ‘indigenous economy’ in colonial PNG, intended as an alternative to neoclassical economic development theory. Gregory’s objective was ‘to forge a theoretical alliance between the political economists and anthropologists against the neoclassical economists’ (1997, 42) through a syncretic use of concepts from both disciplines. He had no use for Stent and Webb’s ‘adaptive use’ of neoclassical theory, and offered a trenchant critique of it. In short, the Stent/Webb project was untenable, for ‘the subsistence sector is a misconception’ (Gregory 1982, 142).

Gregory drew on Marcel Mauss (*The Gift*, 1925), whom he characterized as concerned ‘to debunk the prevailing orthodoxy among economists that economies of the PNG-type were “natural” economies which produced for subsistence rather than exchange’. Mauss had concluded that ‘[i]t appears that there has never existed, either in the past, or in modern primitive societies, anything like a “natural” economy’. Instead ‘we see that a part of mankind, wealthy, hard-working and creating large surpluses, exchanges vast amounts in ways and for reasons other than those with which we are familiar from our own societies’ (Mauss 1925, 3). Mauss had called this system of production and exchange a ‘gift economy’ (Gregory 1982, 18).

For Gregory, the ‘indigenous economy’ of the colonial era involved *gift exchange* and *commodity exchange*, activities which in pre-colonial PNG had involved the circulation of traditional valuables and utilitarian items. Building on foundations provided by *The Gift*, Gregory placed primary emphasis on the first of these two activities. He was particularly interested in an ‘efflorescence’ of gift exchange said to have occurred in colonial PNG as an artifact of economic change, an insight he attributed to Andrew Strathern (1979).

Gregory distinguished the ‘commodities’ of political economists from the ‘goods’ which concern neoclassical economists. The concept of ‘goods’ is shown as imbued with a spurious universality, devoid of historical or social context, just as neoclassical economic theory, applied to analysing the production, exchange and consumption of such ‘goods’, is characterized by a similarly vain pretension. Neoclassical economists – armed with utility analysis – focused on the ‘subjective relation between individuals and objects of desire’, as embodied in ‘goods’. By contrast, Gregory (citing Bukharin) adhered to ‘the fundamentally “objectivist” approach of Political Economy’. This was concerned with ‘class relations in the sphere of production’. In 1970s PNG this played out as a contrast between ‘the *subjective relationship* between consumers and objects of desire’ (in the course of transition from subsistence to a market economy) and ‘the *personal relations* between people that the exchange of things in certain social contexts creates’. The ‘things’ exchanged are ‘gifts’ and ‘commodities’. In Gregory’s argument, ‘the theory of gifts and the theory of commodities are compatible and together they stand opposed to the [economists’] theory of goods’ (Gregory 1982, 7-8, emphases in original).

If one leaves aside the economists and their ‘goods’, however, there is a ‘conceptual opposition’ between gifts and commodities. As Gregory explained later, gifts stem from anthropology and represent ‘relations between non-alienable things’¹⁰. Commodities, on the other hand, arise from political economy where they connote ‘relations between alienable things’ (Gregory 1997, 52-3)¹¹. Both gifts and commodities are necessary to his analysis of PNG indigenous economy because it is ‘an “ambiguous” economy where things are now gifts, now commodities, depending on the social context (1982, 117)’. Gregory is credited with having shown how these opposed concepts, often taken as representing, respectively, ‘the capitalist world’ (commodities) and ‘the rest of the world’ (gifts) may coexist and interact within a single society, as in PNG (Hann and Hart 2011, 87).

As well as being ‘ambiguous’, Gregory’s ‘indigenous economy’ may also be a problematic construct under modern conditions. For the notion of an ‘efflorescence’ of gift exchange has some explanatory appeal in contemporary PNG as, for example, in examining such phenomena as official corruption and the conduct of election campaigns. If these could be proven both as authentic manifestations of modern gift exchange and as significant expressions of the contemporary ‘indigenous economy’, this would surely be dysfunctional in terms of the commonweal. If such dealings are agreed as problematic for modern governance, the merits of

¹⁰ This implies a community of ‘non-alienable’, one which appears to correspond with Fisk’s ‘subsistence unit’. He had drawn a line around the community within which ceremonial pig exchange occurred (Fisk 1962, 463). Gregory (1982, 109) was critical of this, suggesting that Fisk had dealt with ceremonial exchange by assuming it away. But Fisk’s definitional construct does not amount to assuming exchange away, any more than the merger of two nation-states ‘assumes away’ the trade flows between them, previously measured as ‘imports’ and ‘exports’.

¹¹ Such relations occur within the bounds of a ‘market’, where exchange occurs at a price.

'indigenous economy' may require some re-evaluation. As Gregory remarked, '... gift exchange is an indigenous economic activity; but the gift exchange of pre-colonial days ... was very different from the gift exchange of today' (Gregory 1982, 115).

In Gregory's terms, the Fisk/Stent analysis commenced with 'traditional goods' (goods they perceived as subsistence production), and then considered trade in 'modern goods' (introduced cash crops and merchandise). Modern goods which passed into the indigenous economy could become gifts or commodities (or one, then perhaps the other, as they changed hands). Commodity exchange came to incorporate introduced modern goods during the colonial era – for example, steel axes. An axe acquired as commodity, then passed on to a less sophisticated recipient, might qualify as a gift. Other introduced modern goods – beer and motor vehicles among them – were incorporated into gift exchange. In one case described in *Gifts and Commodities*, modern goods carried home by returning contract labourers 'are transformed back into gift-form' by means of a special ritual (Gregory 1982, 185).

Gregory accused Stent and Webb of denying the existence of exchange. He asked, 'How does one analyse gift exchange using a conceptual framework that excludes exchange'? Their intent to do so, he said, was clear, because their model commenced by considering the production of 'a single untraded product' (Gregory 1982, 107-8). He did not acknowledge that this was only the first of a series of iterations into which exchange – in the sense of trade in 'goods' – would later be introduced, and that the economy of the Abelam had undergone considerable social and economic change by the late 1950s. The Stent/Webb model was, in its basic assumptions and framework, a member of the Fisk family of models, though more subtle in its handling of the issue of exchange, as explained above (section 7).

The Stent/Webb model was initially concerned with production, rather than exchange, and with the determination of an optimal production level in relation to subsistence requirements. To the extent they set aside the question of broader exchange, they did so for reasons explained in this paper's discussion of Fisk. Their optimal production level was set subject to certain forms of 'hybrid behaviour' (one of which – the 'rose-fancier' analogy – was central to Gregory's critique). Gregory focused his attack particularly on Stent and Webb's use of marginal analysis. He attributed to them a proposition, that the behavior of the subsistence 'rose-fancier' may cause the marginal product of land to become negative. This he said was the key 'that overcomes [for Stent and Webb] the logical problem of analyzing gift exchange in terms of a model of a "single untraded product"' (Gregory 1982, 108).

This was a misrepresentation. Gregory had confused Stent and Webb's hybrid 'rose-fancier' and 'duty to the soil' behaviours. It was the latter case, not the former, which concerned the marginal productivity of land. Stent and Webb (1975, 526) themselves claimed that their logical

problem was solved by ‘the assumption that labour is an argument in both the utility and the production functions, whereas the services of land enter only into the production function’. This arose in the ‘rose-fancier’ scenario, and it had nothing to do with the marginal productivity of land. Gregory’s account of the cultivator’s behavior as represented by Stent and Webb, and his presentation of an alternative scenario (Gregory 1982, 108) was a travesty (and is examined in an appendix, below). Suffice to say that Stent and Webb do not fall away on account of Gregory’s attention to them; still less does Stent’s later work (1984). The worst one might say is that Stent – like other inter-disciplinarians – risked incomprehension and/or misrepresentation by observers on both sides of the divide he had sought to bridge.

Gregory’s intention had been to cast doubt on the validity of subsistence affluence by combining constructs from anthropology and political economy. The geographer Ian Hughes, employing a more conventional analysis, may have asked more searching questions of Fisk than did Gregory. There is an intrinsic difficulty in all such judgments, however, one explained lucidly by Gregory himself:

‘The Economics approach perceives reality differently, employs different concepts and uses different methods of analysis from the Political Economy approach. There is, therefore, no common ground on which the two approaches may be compared and evaluated: a constructive critique of one approach must be from the perspective of the other, i.e., it must be external’ (Gregory 1982, 102).

In a footnote, Gregory added: ‘A critique may also be internal. This involves demonstrating the logical inconsistency of an approach in its own terms’. Gregory had some qualifications to offer an ‘internal’ critique of the economics case. The present writer, though troubled by the thought that a sense of mission may have clouded Gregory’s judgment, is perhaps less well-equipped to turn the tables.

8. Ian Hughes and *New Guinea Stone Age Trade*

In *Gifts and Commodities*, C A Gregory commented that ‘the gift exchange of previous days (of which almost nothing is known) was very different from the gift exchange of today’ (Gregory 1982, 115). But if so little was known, it is surprising that in *Gifts and Commodities* Gregory gave practically no attention to Ian Hughes and his study, *New Guinea Stone Age Trade* (Hughes 1977a). Hughes appears to have found evidence enough relating to ‘previous days’. His reading encouraged him ‘to cast a wide net and gather much new evidence (material, oral and documentary) and to take an approach based on the remarkably varied natural environments, geographical constraints, the differential distribution of resources (mineral and biological), and the flows of information, ideas and goods between the groups who relied upon these diverse domains’ for exchange and trade (Hughes, pers. comm. 8 Feb 2012).

Gregory emphasized the efflorescence of gift exchange during the colonial period, whereas Hughes had already documented an important instance of the efflorescence phenomenon (Hughes 1978) as well as describing the routes and modalities of traditional exchange in and around the central highlands region (Hughes 1977a). True, Gregory's focus was on the implications of *The Gift*, whereas Hughes' gaze was directed primarily to commodity exchange and the interconnections between utilitarian and ceremonial exchange (a case, perhaps, of too much commodity, not enough gift, for Gregory's taste). Moreover, Hughes was a geographer whose anthropology was formalist, and whose analysis of the economic aspects of traditional trade was in many respects orthodox, perhaps uncongenially so.

Hughes employed the commodity/gift distinction, though not as an opposed pair. And (like Gregory) he accepted that objects may be either commodity or gift depending on context. For Hughes, the 'gift' was transmitted by 'ceremonial gift exchange', while the commodity was exchanged through 'barter'. He viewed 'pure' barter and 'pure' ceremonial exchange as 'idealizations' – the extreme points on a continuum, in between which there are varying degrees of hybridity in exchange¹². Thus

'The barter end of the continuum is well exemplified by planned journeys to get stone axes or salt, specific goods for payment being prepared in advance, perhaps plumes, shells or a pig ... The prestation [*ceremonial exchange*] end is best represented by a transaction involving no material return, such as the payment of blood-money without which neither trade nor peaceful social relations can resume' (Hughes 1977a, 209-10).

His was a more pragmatic approach than Gregory's, depending more on fieldwork and observation than on reification. While he did not discount the psychic or political benefits of traditional trade accruing to individuals and groups, his attitude was more utilitarian. Hughes was most concerned with material gains, secured by trade for population groups which were, in principle, capable of Fiskian self-sufficiency. He stressed the value of traditional trade in achieving a degree of economic integration across populations with widely differing productive potentials. This showed the operation of the economist's 'comparative advantage', not as a mechanistic process, but mediated subtly by a host of local and specific factors.

¹² As Stent and Webb (1975) understood, 'hybridity' is the norm. As Hughes put it recently, "[p]ure gift" and "pure trade" are idealizations, abstractions useful for model-building. But they are not "real"; not in the pre-contact village and not in our town. It is a commonplace of business schools that to establish trading relationships in Asia it is first essential to establish a personal social relationship. "Gifts are us". The same was true of "subsistence" farmers and "hunter-gatherers". There was and is "no such thing as a free lunch". Of course, "pure subsistence" and "pure commercial" are also idealizations, as all the ethnographic data show (Hughes, Pers. comm. 8 March 2012).

Hughes concluded that ‘despite resources permitting self-sufficiency, most Melanesian communities traded vigorously’ (Hughes 1977b, 28). Indeed, traditional trade was

‘a successful, functioning, integrating distributive system with its own market forces and regulating mechanisms. This is not an idealized view of a system in static equilibrium, but of a dynamic system in constant flux, changing with population movement and expansion, affected by discoveries, absorbing innovations, transmitting knowledge as well as goods, interrupted by warfare, waning here and growing there with the changing needs and fortunes of different groups of people and of individual entrepreneurs’ (Hughes 1978, 310).

In traditional Melanesia, the indigenous economy permitted

‘a developed use of the scarce resources through the production and distribution of a range of goods to improve every aspect of economic, social and religious life – goods for consumption and goods for further production, practical items and luxuries, items for every day, for special ceremonies and for further traffic with neighbours, goods that were both valuables and media of exchange’ (Hughes 1977b, 33).

Thus, while almost all communities had resources enough for self-sufficiency (corresponding to the assumption of the basic Fisk model), ‘the exchange of specialized products raises their economic standards through a more efficient use of resources and enriches their cultural life’, while ‘a few groups with poorer natural resources, particularly garden land ... developed trade as a specialized economic activity and acquired basic foodstuffs in these exchanges’ (Hughes 1977b, 28). But whereas Gregory (1982, 107) had charged the Fiskians with a total denial of exchange, this account by Hughes (more of an ‘internal’ critique) obliged Fiskians to justify the ‘recognizable caricature’ of reality involved in their assumption of the closed subsistence unit¹³ (Fisk 1962, 464).

Not all observers had recognized the degree of ‘economic integration’ which Hughes had seen in his cross-country trading system. The development economist’s distinction between ‘monetary’ and ‘subsistence’ sectors, for example,

‘has its uses, but it obscures the fact that, long before the introduction of universal modern money, the ‘subsistence sector’, that is the traditional Melanesian economy, produced both necessities and non-essentials, goods for home consumption and goods for export, and that these exchanges were facilitated by items that were both stores of value and media of exchange’ (Hughes 1977b, 29)¹⁴.

¹³ Hughes has commented more recently that ‘though capable of it, the village economy was rarely “closed” and never for long’ (pers. com. 8 Feb 2012).

¹⁴ Again, Hughes (Pers. com. 7 Dec 2011) has provided a context for these comments. ‘I had no one in mind. Apart from anthropologists, most of us working in PNG at that time saw it through western eyes and tried to fit our analyses into models derived from our own industrialised societies. The further from the field, the more abstracted

If this thesis is accepted, it might appear to cast doubt on an economic analysis which fails to offset losses from the destruction of traditional trade against gains accruing from the transition to specialization and commercial exchange in the introduced monetary economy. Whether such analysis ought to be disqualified, however, should depend on how serious such losses are judged to be¹⁵, and what alternative (and realistic) choices were available, either to colonial authorities or to cultivators themselves. Hughes appears to have believed in the 1970s that other choices were available, for as well as taking the economists to task, he was critical of 'those that know something of the system [and who] continue to underrate its scale, its economic and cultural significance, its value to traditional Melanesian society and its implications for the choices open to the Melanesia of today' (Hughes 1977b, 33). In retrospect, Hughes sees his comments in 1977 as being 'a lament for our general ignorance at the time, cultural insensitivity (perhaps the worst example being the destruction of sacred objects) and in general our [ie, expatriates'] now well-known and understood hubris' (Hughes, pers. com. 8 Feb 2012).

Whatever the 'choices' available by 1977, it was evident that losses had been incurred. 'Introduced cash crops and foreign products have brought benefits but have resulted in a loss of some resources basic to the subsistence economy and upon which village autonomy depends. Part of the traditional exchange economy has been destroyed' (Hughes 1977b, 28). Fisk, for one, greatly regretted the policy change to 'accelerated development' which gathered pace soon after his arrival at the ANU in 1961. 'Our research, backed by the work of anthropologists and human geographers who had studied this sector for decades, produced a satisfactory pool of new economic information and practical analytical tools; but political change accelerated too rapidly for these to be effectively applied' (Fisk 1995, 203).

Hughes had documented the highlands 'shell bubble' and the explosion of economic activity which accompanied it, describing the consequences in terms reminiscent of the rhetoric of 1970s 'dependency' theory (Hughes 1978). The resulting disruption led to 'the sense of dependency which lies at the heart of the indigenous colonial experience'. It illustrated 'the processes by which previously self-sufficient Melanesian economies became satellites of an overseas metropolitan economy, and how this transition played the principal role in the loss of

the language. For some, the models were the main interest. For them, the reality on the ground could be a bit of a nuisance'. While Hughes himself does not make the analogy, we may conclude that Fisk's careful efforts to reconcile his 'closed economy' with traditional exchange could serve as an example of this situation.

¹⁵ Clarifying this argument Hughes (Pers. comm. 8 March 2012) stressed the loss of traditional specializations ('stone quarrying, axe making, pigment quarrying, salt making, tree-oil harvesting, shell collecting, etc') and comments that 'in the rural communities those specializations have been destroyed by modern technology and the modern economy – those folk now have less specializations than they had before. Owning a trade store or growing and trading marijuana are poor substitutes'.

political autonomy' (Hughes 1978, 308-9). With inflation having debauched the traditional currency, the highlanders' previous 'general rough balance of mutual dependence upon neighbours was now reduced in favour of dependence upon a new elite'. Hughes commented that 'for the fortunate ones, they were boom times indeed, but like their modern equivalents, the new urban elites of the Third World centres of power, they owed their new wealth mainly to their proximity to the distribution centres of the metropolitan world' (Hughes 1978, 318). These 'fortunate ones' were also positioned to initiate, and profit from, the 'efflorescence' of exchange which interested Gregory.

Despite his use of the word 'affluence' on a number of occasions, it appears Hughes' intent was simply descriptive, for he was clearly not a Fiskian. His use of this term associated with Fisk and Sahllins was early evidence of its having entered the broader language in a non-technical sense (where, as noted in the introduction to this paper, it remains). Thus, speaking of traders from the 'highlands fringe', he noted that they lacked 'the trappings of primitive affluence that so impressed the first white visitors to the highlands' (Hughes 1977a, 204). Among these 'trappings', Hughes believes (from the documentary evidence and his interviews of Taylor and the Leahy brothers, first Europeans to enter the area) that most impressive was 'the densely-settled and amazingly rich, ordered and decorated garden landscape' (Hughes, pers. com. 8 Feb 2012). Again, Hughes (1977a, 204) reported that '[t]raffic in goods reached its greatest elaboration in the highlands regions', which 'had developed a series of high-consumption affluent societies'. More recently Hughes has clarified his position; for him, 'the terms affluent and affluence' are not 'helpful', and indeed have 'no analytical value' (Hughes, pers. com. 7 Dec 2011), for 'such terms are relative, just like poverty', "rich" and "poor". Words that have no concrete definition, not even in a specific time, place and context, are not useful to me as an analytical category' (Hughes pers. com. 8 Feb 2012).

9. Richard Salisbury's circumstantial affluence

Enthusiasm for subsistence affluence was centred in a group at the ANU led by E K Fisk. Among ANU anthropologists, T S (Scarlett) Epstein embraced the concept in her study *Capitalism, Primitive and Modern*, which dealt with the Tolai people of the Gazelle Peninsula of New Britain; the urbanist Nigel Oram attempted to assimilate the idea into a study of the Papuan Hula people (Oram 1968), and a doctoral student applied it to Samoa (Lockwood 1971). Richard Salisbury, whose work among the Siane had greatly influenced Fisk, produced a study of the Tolai (*Vunamami*, 1970) at about the same time as Epstein. Salisbury was no longer at ANU and affluence was not an explicit theme of his *Vunamami*. His field data (as Epstein's) offered comfort to the Fiskians, however, insofar as quite limited labour inputs were shown as required for subsistence production on the Gazelle. An ANU economist, P J Drake, published a study,

Money, Finance and Development, which *inter alia* applied Fisk's model in a discussion of money in the transition from subsistence (Drake 1980).

On the basis of his work with the Siane and the Tolai, Salisbury came to the view that service, or tertiary, activities could play a lead role in the transition from subsistence agriculture to market exchange. The introduction of the steel axe to the Siane released labour-time, which 'was used for politicking, ceremonials [i.e., *efflorescence of gift exchange*], legal disputes, and fighting'. These proved to be elements in 'political consolidation' which occurred, for reasons specific to each, among both Siane and Tolai. In each, larger social groupings coalesced under emergent leaders exercising more effective political control. This in turn led to 'organizational innovation' and 'the development of new consumer demands' (Salisbury 1970, 10-11).

In his view, increasing levels of political activity, combined with capacity to make decisions at local level, produced in these societies a socially-beneficial consolidation of political authority, from which further economic progress could flow. In each case, consolidation was associated with a shift of labour-time, especially among men, to leisure and service activities. As Salisbury explained in *Vunamami*, this shift 'would occur only if existing demand for food and subsistence requisites were already met – in other words, in a relatively affluent society' (1970, 11).

This may have been Salisbury's first published use of the term 'affluent', and in subsequent publications it became evident that *his* affluence was somewhat different from the constructs of either Fisk or Marshall Sahlins. It did not appear to derive from the balance between population and land resources in the original, 'pure' situation of subsistence production. Salisbury characterized Sahlins as 'viewing most small-scale societies with dramatically different cultures as having been in a state of pristine affluence', and was by implication critical of those who 'consider "affluence" the normal state of society and look for reasons for its absence' (Salisbury 1984, 2). The affluence with which he was concerned came about as the consequence of some technological change (for example, the introduction of the steel axe into a stone-age culture) or externally-imposed circumstance (for example, a flood of petrodollars into indigenous communities in Venezuelan Amazonia). The essays in Salisbury and Tooker (1984) explore a number of cases of what might be called 'circumstantial' affluence, the result of fortuitous circumstances.

Thus the Siane were 'affluent' because of the introduction of steel tools, and the Tolai became so because of several sequences of technical innovation they had experienced. On the other hand, for Sahlins (and, by implication, Fisk) both Siane and Tolai were 'affluent', *ab initio*. In this connection, it is worth recalling that Nigel Oram (1968) attempted, somewhat uneasily, to fit the Hula community of the Papuan coast into a frame of Fiskian affluence. In retrospect, his data appear more consistent with the hypothesis that they *became* 'affluent' (in Salisbury's

terms, not Fisk's) through fortunate circumstances, rather than having been so *ab initio*. Also, it is interesting that W R Stent, a Fiskian, had suggested (without any foreknowledge of Salisbury's concept of affluence) that 'even if the Abelam economy when employing stone was stunted, it was bound to become affluent on the introduction of steel' (Stent 1984, 132).

While no doubt taking encouragement from Fisk's early and enthusiastic adoption of his *Siane* materials, Salisbury appears not to have acknowledged the latter's use of it in crafting the notion of subsistence affluence. In presenting his own take on affluence, Salisbury chose only to differentiate it from that of Sahlins, whose version – while certainly better known – post-dated Fisk's by several years (Salisbury and Tooker 1984, 2)¹⁶. Salisbury and his students examined his 'affluence' in some rather surprising locales (Salisbury and Tooker 1984). His untimely death prevented the appearance of a planned book on economic anthropology (see Silverman 2004) which might have clarified and given wider currency to his concept of affluence.

10. The Faber Report: affluence and polite scepticism

At the beginning of the 1970s there occurred that quickening of the political pulse (regretted, as we have seen, by Fred Fisk) which was to bring about self-government and Independence ahead of even the most optimistic timetables. In preparation, and at the request of the Australian government, UNDP and the World Bank arranged for a team from the Overseas Development Group (ODG) of the University of East Anglia to report on policy options for an independent PNG. The 'Faber Report' was published as *A Report on Development Strategies for Papua New Guinea* (ODG 1973). This document was influential in a number of respects, not least for its influence on contemporary PNG politicians and intellectuals. The treatment of it here is restricted largely to its discussion of subsistence affluence.

The attitude of the Faber mission towards subsistence affluence might be described as politely sceptical. Their report did not confront 'affluence' directly; the views of its members manifest instead as a series of *obiter dicta*, appearing in discussion of related issues. Some of these judgments appear to derive from vulgarized conceptions of 'affluence' (for the term had

¹⁶ A brief chronology of the 'affluence' construct: The articles by Fisk (1962, 1964) and Shand (1965) made no reference to affluence. In Fisk (1966) the term 'primitive' affluence appeared, and in Fisk (1971) this had been amended to 'subsistence' affluence (by Fisk's account, on the advice of the late Ron Crocombe). The paper 'The Original Affluent Society' appeared in Sahlins (1972) though there was an earlier, shorter French version (Sahlins 1968). According to Wikipedia, Sahlins first presented the ideas at a seminar in 1966, although this claim did not appear in Sahlins (1972). Salisbury used the term 'affluent' descriptively in *Vunamami* (see Salisbury 1970, 11). As far as I am aware he first applied 'affluence' as a construct in Salisbury and Tooker (1984). By 1975 Fisk, evidently eschewing political correctness, had reverted to the term 'primitive' affluence (Fisk 1975, 82).

already entered the language) rather than the cautious and qualified Fiskian original. Faber & Co. did not characterize the development process for PNG in terms of a 'transition from subsistence' nor did they regard 'pure' subsistence as a concept of any utility for the PNG of 1972. Their categories were different.

Among the Faber team's working assumptions was that 'impelling people to enter the cash economy merely in order to build up the size of the cash economy has no merit'. Rather, policy should seek 'to facilitate the earning of incomes by employment or self-employment for the satisfaction of those wants for which money is required' (ODG 1973, 2.5). This suggests a measured, rather than headlong, approach to achieving what Fiskians call the transition from subsistence. It reflects Faber's concern for distributional issues and income generation, at least as much as for formal employment opportunities. The formal/informal distinction was essential to the Faber approach, reflecting the influence of Keith Hart, a team member credited with having originated the concept of the 'informal sector'¹⁷. This distinction shows in Faber's categorization of the PNG economy as comprising a modern or 'formal' sector and an 'informal' sector, the latter embracing 'smallholder agriculture (both cash cropping and subsistence production) and many other small-scale activities in town and country' (ODG 1973, 4.2). Hart/Faber's 'informal' sector folded indigenous urban and rural, subsistence and cash activities, all into a single bundle. Coincidentally, it applied Hart's brand-new concept of 'informality' to PNG, even before it had been considered for a host of other developing countries (to which it was, arguably, more applicable at that time).

The Faber team was critical of a 'modernization theory' model, 'which thinks of the transformation process solely as the need to graft a western-type modern sector ... on to *an assumed indigenous subsistence economy*'. What they sought, instead, was 'a more "natural" endogenous advance of the division of labour through growth in internal markets and increased specialization outside agriculture' (in which informal economic activity would play a part) (ODG 1973, 4.16, emphasis added). This way of stating the options may be seen as an oblique criticism of Fiskian orthodoxy. Certainly, the team member who formed the view that 'because of the large subsistence sector and the limited spread of the cash economy, the opportunity cost of labour in Papua New Guinea must be one of the lowest in the world' (ODG 1972, 11) must have been uninfluenced by the notion of 'affluence', à la Fisk. Similarly, the report argued

¹⁷ The idea of 'informality' and its origins are explored in this writer's earlier paper *Intimations of the 'Informal Economy' in the work of Henry Mayhew, Peter Bauer and Richard Salisbury*. This was posted and discussed on the website of the Open Anthropology Cooperative during April 2012 and may be viewed at <http://openanthcoop.net/press/2012/04/09/intimations-of-the-informal-economy/>

for the introduction of small-farmer wet rice production – that periodic fantasy of PNG agricultural policy. The suggestion that so labour-intensive a form of agriculture might be viable under PNG conditions flew in the face of any suggestion of ‘affluence’ in the rural economy from which wet-rice cultivators would have to be drawn¹⁸.

The writers of the Faber report might have been reflecting contemporary expatriate attitudes in PNG (for they could not have taken it from a careful reading of Fisk) when claiming that

‘In a country as backward as Papua New Guinea it is easy to assume that the main impediment to economic development lies within the indigenous population itself, in its attitudes, its social institutions, its capabilities, and so on. Failure to maximize pecuniary gain is construed as “lack of motivation”, which is in turn attributed to “subsistence affluence” and restrictive social practices aimed at discouraging individual initiative’.

The report listed a series of counter-instances to disprove this ‘straw-man’ proposition, before finally dismissing it. ‘Obsession with an assumed general lack of “motivation” is already as redundant for Papua New Guinea as it has been for two decades in the erstwhile “affluent societies” of colonial Africa’ (ODG 1973, 9.5).

Fiskians should perhaps have taken some comfort from the manner of this dismissal; at least it appeared to concede that affluence, or something akin to it, may once have existed in ‘colonial Africa’. Perhaps subsistence affluence, as a construct, was not simply a case of PNG ‘exceptionalism’, the naïve belief in PNG as a special case? To explore this possibility, and in search of ‘erstwhile’ affluence, we now turn our attention to colonial West Africa.

11. PNG as ‘a special case’: the need for some perspective

At the time of the Faber mission, Keith Hart had written for a PNG audience that:

‘Many countries, prior to the colonial impact, had flourishing industrial and commercial sectors; most at least (9) supported specialized crafts and services, conducted complex systems of exchange, maintained various types of currency and allowed the accumulation of capital in a number of forms. It is thus erroneous to characterise such societies as a blank sheet upon which European immigrants wrote a new, dynamic history. They were never purely subsistence economies’ (Hart 1974, 8-9).

¹⁸ There is reason to doubt whether Keith Hart was the author of this recommendation in the Faber report. In a book on West African agriculture examined below (section 12), Hart (1982, 47) discussed efforts by West African governments to replace rice imports by expanding irrigation. He asked ‘has the work force been sufficiently prepared by famine, impoverishment, and proletarianization to constitute a reliable, hardworking, paddyfield peasantry?’

One imagines Ian Hughes might have been fairly comfortable with this depiction, in that his description of PNG trade satisfied at least some of the criteria implicit in Hart's account of traditional economy. On the other hand, Fisk's stylized model of the self-sufficient subsistence unit was clearly a very different matter.

From a later work, Hart's *Political Economy of West African Agriculture* (1982) we gain insight into his thought regarding subsistence, transition, and the commercialization of traditional agriculture. This illuminates aspects of the Faber report and offers some perspective on the notion of PNG as 'a special case'. For Hart, PNG was certainly a *different* place. He acknowledged the 'decisive' influence on his thinking of the Faber experience: 'the world has seen no starker example of the forced formation of a modern state made up of many primitive societies' (Hart 1982, 3).

Keith Hart emphasized the diversity of the enormous geographical and cultural region of West Africa. He noted that 'the very fragmentation of West African society, whose rural economies are embedded in a host of particular material and social arrangements', imperils the attempt to generalize. Nonetheless, generalization is required, and the process reveals important contrasts with PNG. The commercialization of agriculture in West Africa, for example, pre-dated European contact (which commenced more than five centuries ago), while '[t]he political economy of modern African agriculture must be studied over at least a 150 year time frame'. This commenced about 1830 with the expansion of trade in vegetable oils to industrializing Europe (Hart 1982, 4) and was co-incident with the decline of the slave trade, which had sustained a 'commercial political economy generated by the rise of states linked to foreign trade in slaves'. Hart's narrative was intended 'to dispel any lingering images of the rural inhabitants of West African traditional societies as isolated, homogeneous peoples living in a peaceful matrix of subsistence agriculture' (Hart 1982, 35).

Hart employed a political economy analysis, in which 'subsistence economy' had its antithesis in 'commodity economy'. This calls to mind C A Gregory's distinction between the exchange of gifts and commodities (with the latter involving the exchange of 'alienable things' between 'aliens') and his characterization of the subsistence sector as 'a misconception'. In relation to West African agriculture, however, Hart was less concerned with gift exchange. It was present of course, and (as we have seen in Section 8, above) he saw value in Gregory's distinction. Hart asserted that 'commodity production was no stranger to traditional West Africa', though it was constrained by 'low market value, high physical bulk, and difficult transport conditions in a sparsely populated region'. At one extreme of traditional society, among the Hausa of Northern Nigeria, 'all foods entered the market as commodities and cotton was grown extensively for textiles', while even in remote areas, 'where the division of labour was less developed, mechanisms usually existed for the circulation of foodstuffs, including local marketplaces' (Hart 1982, 9).

Local markets presented the opportunity

‘to exchange small surpluses of staple; to increase the variety of foodstuffs in the diet through purchase of garden produce and hunters’ catches; to acquire the minute quantities of salt, cloth and similar imported luxuries that consumers could afford; to buy handicrafts, utensils, and the like (sometimes produced by part-time specialists)’ (Hart 1982, 37).

This kind of exchange is at the *least* sophisticated level of West African traditional commodity economy. It bears some resemblance to traditional markets conducted on the Gazelle Peninsula by the Tolai, at the boundaries of their ‘safe conduct’ zones (Epstein 1968, Salisbury 1970) although ‘manufactures’ traded in this way on the Gazelle reflected a less advanced material culture. Those Tolai markets appear to have been among the *most* advanced forms of commodity economy found in traditional PNG so that, even allowing for the rich patterns of trade described by Ian Hughes, it appears that in terms of traditional commodity exchange the ‘overlap’ between PNG and West Africa may not have been very great.

In Hart’s account of West Africa, commodity exchange was widespread, whether in ‘precapitalist’ or ‘noncapitalist’ forms (in the second of which labour had not yet become a commodity) or by assuming increasingly capitalist forms. For the evolution of systems of commodity economy was ‘synonymous with the expansion of the market’ (Hart 1982, 8). Even in the pre-colonial era (i.e., prior to the 1880s) and alongside barter, commodity exchange was facilitated by special purpose currencies, which included metal bars, cowrie shells, cloth, cattle, slaves, and tokens from trading houses (Hart 1982, 115). Hart was critical of any narrative cast in terms of the ‘intrusion’ of money or the cash economy into West Africa. Such scenarios imply ‘an abrupt confrontation that never took place in modern times’. For this reason, ‘[t]he penetration of the market into subsistence agriculture cannot ... be represented as the disruption of a self-contained unit of food production and consumption at the household level’ (Hart 1982, 9).

So much for African ‘subsistence units’; what then is to be found in Hart’s *Political Economy of West African Agriculture* concerning ‘erstwhile’ African affluence? Certainly, one finds hints of something like affluence in Hart’s description of rural resources and economic processes. Ultimately, however, the framing of his account suggests a different way of looking at reality, an *African* reality which is bigger, more complex and more historically layered than the experience of PNG. The physical ecology presents a range of environments, extending from desert margins in the north, through savannah to the forests and the coast, paralleled by a human and cultural ecology reaching from an Arabised north to an animist and Christian south, with traditional livelihoods from nomadic herding to those forms of rainforest cultivation more familiar from PNG. Hart was critical of the ‘myopia’ preventing us from grasping the historical

concomitants of this complexity. Our short-sightedness contrasts with ‘the long-range vision of West Africa’s savannah Muslims, some of whom still think of the pattern of coastal dominance that was introduced by European mercantilism as a momentary hiccup in the rhythm and shape of the region’s history’ (Hart 1982, 3).

Any discussion of a putative African ‘affluence’ requires us to consider the productivity of traditional agriculture, as influenced by seasonality and population density. Across the region, land was in general relatively abundant. But Hart was uncomfortable with the notion of labour as ‘scarce factor’, for ‘when people’s work schedules are barely differentiated from their general social routines, it does not always make sense to reduce them to classical political economy’s abstract category, “labour”’. This admixture of economy and society was precisely the characteristic Stent and Webb (1975) had attempted to capture by their treatment of the ‘hybrid’ behaviour of *Abelam* cultivators. On the other hand, Hart admitted that ‘if there was a scarce factor of production in traditional agriculture, it was not land; and there were only two factors’. But, in the turbulent interaction of peoples across the landscape of West Africa from desert to savannah to forest and coast, ‘[w]hat has mattered more than land is membership in social groups capable of carrying out all the activities necessary to keep people safely in their chosen patch of territory. Large areas of empty land emerged during periods of warfare, as a buffer zone between hostile populations’. Land *was* abundant, but warfare and slavery also impacted on population density and land-use. Such external pressures tended to enforce a degree of self-sufficiency¹⁹.

Labour productivity was relatively high in West Africa, in terms of subsistence output per unit of labour input. This is just as described by Fisk and innumerable PNG fieldworkers, in the context of the Melanesian ‘fifteen hour week’, although Hart puts a somewhat different interpretation on the phenomenon. ‘This is bound to be the case when natural fertility is doing most of the work that has to be done by human beings under conditions of preindustrial intensive agriculture’. The availability of land, together with low population densities and the opportunity of adequate fallow, was the key: ‘Hence the preference of West Africans for large tracts of land to support a small number of people’. In consequence they had

¹⁹ More recently Hart has returned to this argument, in a contribution to an OAC online seminar, to clarify what he characterizes as the ‘insidious’ opposition of ‘subsistence’ and ‘market’. He claims that his book on West Africa, ‘replaced the idea of subsistence with a pressure towards local self-sufficiency which was never divorced from commerce. Mauss and Polanyi both held that local societies may aspire to self-sufficiency, but they never achieve it, so that markets and money (often taking forms quite unlike ours which in Mauss’s case included the kula ring and valuables) are necessary to extend the reach of such societies for purposes of trade with foreigners’. See <http://openanthcoop.ning.com/forum/topics/new-oac-online-seminar-john-conroy-intimations-of-the-informal-ec?id=3404290%3ATopic%3A159237&page=3#comments> posted 25 April, 2012.

‘a form of agriculture well-suited to their environmental conditions and low population density’, [though] ‘increased population density or an intensification of production for sale could obviously change all this. So could a form of state geared toward extraction of value from the countryside ... [for] productivity per person was kept much lower than would be thought desirable by agents of the market or the state’.

There is an unmistakable echo here of Fisk’s emphasis on the time-bound nature of affluence and the necessity for investment in the productivity of subsistence agriculture during the transition to market. This is about as close as we shall ever come to finding some version of ‘affluence’ in Keith Hart’s work.

Hart’s account of population growth and agricultural commercialization to 1980 suggested that, whatever other changes had occurred, there had been no revolution in labour productivity. In fact it had probably remained ‘broadly static, as the population has spread out to occupy the land mass’, while even export agriculture ‘remains at the same level of labor productivity as traditional food agriculture’ (Hart 1982, 10-12). He found a correspondence between this pattern of development and what Hla Myint (1971) had called the ‘vent for surplus’ model of growth, where ‘expanded levels of market demand release factors of production that were lying idle’ and ‘[t]here were no pressures to make increasing labour efficiency a major consideration for indigenous farmers: accumulation of virgin land and external economies in distribution and transport were often much more important’ (Hart 1982, 13)²⁰.

This analysis is by no means discordant with the Fiskian view of agricultural expansion on available land, coupled with commercialization made possible by ‘Marshallian increasing returns from external economies’ (Fisk 1964, 164). Both Hart and Fisk, as Myint before them, knew this process could go only so far without further investments to increase productivity. Hart believed the failure to achieve a commercial agriculture more productive than traditional peasant cultivation, even when engaging with the world economy through the production of export crops, was a fatal flaw in the development model of independent West African states. A solution must be found in ‘the tradition of classical political economy, both liberal and Marxist [which] provides a sound intellectual basis for thinking out these problems’ (Hart 1982, 18).

²⁰ The treatment of Myint in section 4 (above) owes much to my reading of Hart, which alerted me to the significance of Myint’s work for the consideration of subsistence affluence.

13. Conclusion: towards a broad church

Is it possible to draw together competing conceptions of 'affluence', and to arrive at a 'broad church' consensus on the matter, while retaining sufficient substance to inform the discussion of development? This may require – to extend the ecclesiastical metaphor – a somewhat latitudinarian approach.

Very little study is needed to discover fissures, even fault lines, between the writers discussed here. The essential dichotomy was defined by Polanyi (1957). He distinguished the 'substantive' and 'formal' meanings of *the economic* by equating them, respectively, with 'subsistence' and 'scarcity'. Some of the anthropology discussed here fell clearly on one side or other of this divide, while some represented a revival of Marxian anthropology occurring from the 1960s. The term 'formalist' is applied loosely here in relation to work in other disciplines, especially that of orthodox or neoclassical economists straying onto anthropological turf. The economists discussed here who were interested in subsistence economy included neoclassical 'modellers', as well as political economists of a more classical and 'literary' bent. Fisk, Shand and Stent fell into the first group, and should be accounted formalists, although Stent took pains to emphasize his 'adaptive use' of the neoclassical techniques. In the second group we might place Myint and Bauer (though this account has also attempted to trace some influence of both men on Fisk) as well as, perhaps, Boeke.

Among the anthropologists, Sahlins was the only fully paid-up substantivist, though the 'colonial economist' Boeke had much in common with him. Salisbury was an avowed formalist, at least in the writing of *From Stone to Steel*. Fisk and his successors built a substantial edifice on this foundation, though Salisbury's own version of affluence turned out to be somewhat eccentric. The geographer Ian Hughes gave a formalist interpretation of traditional trade providing some necessary corrective to Gregory's account, which had accused the Fiskians of a total denial of exchange. Hughes' narrative of 'a successful, functioning, integrating distributive system with its own market forces and regulating mechanisms' was a more useful critique. It focused attention on the 'recognizable caricature' of reality employed by Fisk & Co. to underpin their assumption of the closed subsistence unit. Hughes' work required us to re-examine Fisk's methodological approach, and to decide whether the insights it yielded justified the stylization of fact upon which it was based.

Keith Hart appears here both because of his association with the Faber report's sceptical approach to affluence and because of his work on African agriculture. The latter provided some comparative perspective on affluence. An anthropologist, who draws for his economic policy prescriptions on both classical political economy and its Marxian extension, Hart would certainly eschew the substantivist label, while his approach to formalism may be divined from his views on neoclassical economics, those

‘anodyne formulas of an economics wholly innocent of contradiction [which] serve only to perpetuate a make-believe world of conferences and press releases. Indeed, to the extent that economics is a source of legitimacy for government actions, *the modern discipline* constitutes in itself a major obstacle to development in backward regions (Hart 1982, 166, *emphasis added*)’.

The economic and anthropological literature surveyed here gave rise to a variety of conceptions of affluence. Several writers discerned a subjective state, a cultural conditioning which enabled a people to enjoy plenty by reason of desiring little. Basing his account on a notion of the simplicity of wants, Marshall Sahlins (1972a) described a situation of ‘unparalleled material plenty – with a low standard of living’. This was encapsulated in his neat inversion of folk-wisdom, the injunction to ‘want not, lack not’. He applied the affluence construct to hunter-gatherer groups initially, and then explored its implications for shifting agriculture, in PNG and elsewhere (Sahlins 1972b). The ‘zen affluence’ of Sahlins appears consistent with the view of life in ‘backward countries’ proposed by Hla Myint (1954). In certain societies, said Myint, ‘wants and activities’ were adapted to one another, and ‘people were in equilibrium with their environment’. He constructed a policy model in the tradition of classical political economy on this behavioural foundation, dealing with the transition from subsistence.

Again, in the somewhat unfamiliar terrain of rural Japan, Nakajima (1969) described families on small farms working towards an ‘achievement standard of living’, at which production and consumption attained ‘subjective equilibrium’, and beyond which further consumption yielded no additional utility. It does not strain the analogy to see parallels here with Sahlins and Myint, as well as with Boeke’s (1953) conception of the limited wants of individuals in the setting of colonial rural Java. As Stent pointed out, the primary concern of Boeke’s peasants was to maintain ‘social standing’ by conforming with community rules and standards. In this situation Fisk’s ‘demand ceiling’, rather than the scarcity on which orthodox economics rests, could be assumed to apply.

Framed by a quite unselfconscious formalism, Fred Fisk’s studies were the earliest in this genre to make ‘affluence’ an explicit construct. He advanced the argument by employing a combination of psychological and physiological factors to explain the limited wants of subsistence cultivators. In common with the authors discussed above (and almost certainly in full awareness of both Myint and Boeke) he accepted the operation of subjective factors governing behavior. But Fisk’s method also required specification of quantifiable variables amenable to manipulation by neoclassical tools. The demand side of his model – in which food was effectively the only product – employed a ‘ceiling’ of physiologically-determined wants. This was modified by the addition of an arbitrary 25 per cent ‘loading’ for leisure and cultural activities. This was, perhaps, an acknowledgment of some additional ‘subjective’ needs of subsistence farmers, beyond the physiological. While Shand and Stent also adopted this

convention, Stent went beyond the cursory treatment of subjective factors – as witness his careful analysis of the ‘hybrid behaviour’ exhibited by cultivators during the transition to market. Indeed, if Sahlins had ever been justified in saying that ‘formal economics flourishes as ideology at home and ethnocentrism abroad’ (Sahlins 1972, xiv) then perhaps Stent might be considered an honourable exception to this rule.

Richard Salisbury championed what is called here ‘circumstantial’ affluence, a concept which he debuted relatively late in his career (Salisbury 1984). He criticized Sahlins and (by implication) Fisk for what is called here *ab initio* affluence, a ‘pristine’ state. For Salisbury, affluence was a condition *conferred* by fortunate circumstances (petro-dollars in Amazonia, state support of ‘First Nation’ communities in Northern Quebec). It was by definition an artifact of change. Nigel Oram’s study of affluence in the Hula community appears in hindsight to fit more snugly into a ‘circumstantial’ mould than the one suggested to him by Fisk (Oram 1968). Coincidentally, Stent (1984) had anticipated circumstantial affluence by conjecturing that ‘even if the Abelam economy when employing stone was stunted, it was bound to become affluent on the introduction of steel’. And had Nakajima been an anthropologist, rather than an agricultural economist, he might have recognized circumstantial affluence among his peasant rice-growers as the consequence of Japanese government farm subsidies.

Affluence suggests the existence of plenty. Mauss (as Gregory recounted) rejected the notion of ‘natural economy’ and proposed instead the vision of ‘a part of mankind, wealthy, hard-working and creating large surpluses [which] exchanges vast amounts in ways and for reasons other than those with which we are familiar from our own societies’ (Mauss 1925, 3). Whatever else it might have been, the ‘gift economy’ appears to have been affluent.

For Sahlins, ‘underproduction’ was a defining characteristic of the ‘the domestic mode of production’. His essay of that title was ‘constructed on an observation’, that ‘the primitive economies are underproductive’; indeed

‘The main run of them, agricultural as well as preagricultural, seem not to realize their own economic capacities. Labour power is underused, technological means are not fully engaged, natural resources are left untapped ... [for] given the modest ideas of “satisfaction” locally prevailing, labour and resources need not be exploited to the full’ (Sahlins 1972b, 41).

Both Mauss and Sahlins described forms of affluence, distinguished, it appears, by the actual production of surpluses (Mauss) or the potential to do so (Sahlins). For his Melanesian ‘fifteen hour week’, Fisk had cited the empirical findings of Salisbury (*Stone to Steel*, 1962). This was corroborated for the Tolai by Epstein (1968) and Salisbury (1970). Fisk relied on such evidence

for his account of a potential surplus of resources waiting to be unlocked from the subsistence sector, and the parallel between this idea and the 'underproduction' described by Sahlins is clear. Fisk (1971, 368) was bold enough to generalize this situation as existing 'in many parts of Africa, and in the Pacific'²¹.

Hart and Fisk never engaged in direct dialogue, but we may conclude that Hart (1982) would have declined to corroborate Fisk's assertion in the case of Africa – or at least declined either to validate the Fiskian frame of reference or to answer leading questions as posed by Fisk. Hart's account stressed diversity, fragmentation, complexity and the layering of history to 'dispel any lingering images' of 'isolated, homogeneous peoples living in a peaceful matrix of subsistence agriculture'. Certainly, his *Political Economy of West African Agriculture* contained hints of something like affluence, and Hart gave grudging acceptance to the notion – albeit oversimplified in his view – of labour as 'scarce factor' in much of the region. Fisk seems to have interpreted the situation in African communities with abundant land as 'self-sufficiency', enabling affluence. Hart would counter by explaining it was not so much a question of land. Instead, people beset by warfare, isolation or environment, were compelled to seek 'membership in social groups capable of carrying out all the activities necessary to keep people safely in their chosen patch of territory'. Thus they were subject to external pressures towards self-sufficiency, which produced communities having some similarities with those posited by Fisk.

Hart agreed with Fisk that population growth would alter the balance between man and land decisively over time (what is referred to here as the 'time-bound' character of affluence) and both saw the importance of improvements in productivity. In Fisk's case, given his focus on 'pure' subsistence, the initial need was for higher productivity in subsistence agriculture, while Shand had followed up by drawing attention to the productivity of cash cropping. Hart was influenced by Myint, who had concluded that the reliance on 'vent-for-surplus' production of export crops by smallholders, at productivity levels no greater than those of subsistence agriculture, was a dead-end. The end of that road would be reached as population increased and 'virgin' land ceased to be available. No doubt Myint drew on the experience of his native Burma, then the world-leading rice exporter, where a 'frontier' for the expansion of rice cultivation still existed in the early post-war period. Hart accepted Myint's scenario as applicable to Africa, and came to see this as a millstone dragging African development down.

²¹ On African 'affluence', Fisk (1975, 69n) wrote that 'I have had no direct experience of Africa, but I was greatly encouraged to find that G K Helleiner [1966], working in Nigeria, came to very similar conclusions about nonmonetary subsistence production there and independently arrived at an almost identical model in explanation of his findings'.

The standard (and encyclopedic) text on food and agriculture in PNG (Bourke and Harwood 2009) does not appear to refer to subsistence affluence or to cite Fisk and Co. This is probably as it should be. In the half century after the seminal paper (Fisk 1962) appeared the population of PNG trebled. Whether or not food output kept pace with population growth – and Bourke and Allen (2009) maintain that in general it did – is beside the point. Fisk directed attention to a margin of untapped resources available within the subsistence sector, rather than to per capita measures of output. The latter could be maintained even as the resource margin was whittled away by growing population, though cultivators would be increasingly stretched by the effort to do so.

When comparing the situations of the Siane and the Chimbu in the 1950s, Fisk had drawn attention to relatively simple and low-cost interventions which could increase productivity in the comparatively affluent Siane lands. For the more constrained Chimbu population, more elaborate and expensive intervention would be required to effect improvements of a similar magnitude. Nonetheless, such investments could increase the population maintained at any given standard of living substantially, while providing a foundation for rising productivity in export agriculture. The scope for such innovations would vary greatly between countries, though Fisk did not doubt that

‘in many of the countries of Africa and of the Pacific region, where subsistence agriculture is still conducted on extensive, long fallow or shifting systems of cultivation, the scope for such transformation of the efficiency of land use through the *intensification* of agriculture is very great indeed. If the effort of intensification is undertaken early, before serious population pressure develops and while “subsistence affluence” still affords a concealed surplus, substantial agricultural and infrastructure investment from subsistence resources is possible. Such intensification can then be effected with very much smaller calls on the capital resources of the monetary sector of the economy than will ever be possible again... What is required is careful planning and timing – above all, to take the necessary steps before the growth of population pressure erodes the surpluses which give rise to the opportunity’ (Fisk 1971, 377, *emphasis in original*).

All longer-term observers of contemporary PNG have their own catalogues of opportunity lost and responsibility denied. Agriculturalists and geographers are probably best equipped to assess the degree of Fisk’s prescience, as well as the extent to which his prescriptions retain any utility for policy. The ‘capital resources of the monetary sector’ seem likely in future to reach levels higher than Fisk ever anticipated, so that finance would not be the binding constraint on any belated application of his ideas.

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Appendix: Gregory's critique of Stent and Webb

Gregory presented an illustration of the 'negative marginal productivity of land', said to be based on Stent and Webb (1975). In discussing various forms of 'hybrid' economic behavior, they had considered an *Abelam* cultural trait (the 'rose-fancier'), by which cultivators take pleasure in pottering around their subsistence gardens. In consequence there is a relatively loose relationship between their input of labour hours and their output of produce. As explained in the writer's account of Stent and Webb, they accommodated this propensity by the assumption 'that labour is an argument in both the utility and the production functions' (Stent and Webb 1975, 526).

Further, they had considered another aspect of *Abelam* character, a 'feeling of duty to the soil'. This trait led many cultivators to exert themselves by walking further from home to garden and employing more numerous plots of land than would be dictated by considerations of simple efficiency. Stent and Webb suggested that under these circumstances the marginal product of land might become negative. At first sight this might seem a rather unlikely scenario. Even in situations of acute land shortage and overpopulation, such as among wet-rice cultivators on Java where 'agricultural involution' was said to occur (Geertz 1963), it was not suggested that the land would be worked so intensively as to result in negative marginal productivity of that factor. But the situation of the *Abelam* was almost a polar opposite of the involutionary case. They had access to relatively abundant land and worked it lightly. Their 'hybrid' (that is, non-maximizing) behavior led them to work so that more of their labour-time was devoted to walking between parcels of land of varying quality 'all over the place', and less to gardening, than if they had ignored their 'duty to the soil'. The cultivation of additional ('marginal') areas can be seen quite plausibly to result in a total output lower than would have resulted from the more assiduous cultivation of a more 'economic' area of land.

In his account of Stent and Webb, Gregory appears, in addition, to have confused the separate ‘rose-fancier’ and ‘duty’ character traits attributed to the Abelam. The former would tend to reduce the marginal product of *labour* by prolonging the hours of work for a given output. By contrast the latter would, as explained, have consequences for the marginal productivity of *land*. Thus a scenario presented in *Gifts and Commodities* (Gregory 1982, figure 5.4) and said to represent the rose-fancier’s behavior, actually relates to the propensity to cultivate more land than is strictly required (the ‘duty’ trait). Perhaps the opportunity of a little gentle derision (‘thus production for gift exchange is likened to amateur rose-fancying’) precluded a more careful reading of the text.

Gregory’s numerical example (below, fig. 5.4) showed a cultivator making large (i.e., non-marginal) increases in the factor input (land), rather than the fine (‘marginal’) increments on which such analysis should be predicated. There are three data points, with the gardener shown cultivating 10, then 20, finally 30, acres of land (a scenario quite unwarranted by Stent and Webb’s account). This prodigality occurs ‘because PNG gardeners are like rose fanciers, they use 30 acres of land instead of 10 acres’ (Gregory 1982, 108). The consequence of this *non sequitur* (why, exactly, would a rose-fancier use more land?) is that the farmer experiences grossly negative marginal productivity on the land. Thus the total output from 30 acres is no more than that from ten. This is a travesty of Stent and Webb’s argument.

Figure 5.4 ***The Negative Marginal Product of Land in PNG***

Land (acres)	Total Product (tons of yams)	Marginal Product (tons of yams)
10	20	
20	40	+20
30	20	-20

Source: *Gifts and Commodities* (Gregory 1982, 108)

Gregory then suggested an alternative scenario, that ‘[i]n reality, of course, if 30 acres of land was used the total product would be (say) 60 tons’ [that is, *constant* returns to scale for land]. Gregory’s conclusion: ‘This gives a surplus over consumption of 40 which can be used for gift exchange purposes. So, by inventing [*sic*] the concept ‘negative marginal product of land’, Stent and Webb make the surplus product of 40, and hence the phenomenon of gift exchange, disappear’ (1982, 108).

This account raises a number of questions. First, the subsistence unit is said to sustain itself with 20 tons of produce, while gifting another 40 tons. But is it physically possible for a household or community of subsistence gardeners, using traditional techniques, to work enough land to produce three times its own food consumption requirement? Perhaps it could, since Fisk assumed the subsistence requirement would take ‘as little as fifteen or twenty hours labour a week’ to produce (Fisk 1971, 368). Both Salisbury (1970, 146) and Scarlett Epstein (1968, 79), made similar findings for the Tolai. Nonetheless, to maintain a labour input of (say) 45 to 60 hours weekly on a regular basis would impinge seriously on the free time of subsistence gardeners, normally regarded as having strong leisure-preference. Secondly, even if a household (or community) were able to produce three times its normal food requirement, would not this level of effort be limited to special circumstances – for example, in preparation for a major event such as a periodic, (say) four-yearly, prestation? Or would such a level of effort be maintained year-in, year-out? Finally, one might ask if a gift exchange surplus equal to 200 per cent of household consumption is rather too high. In how many societies are gift surpluses of such relative magnitude recorded, and over what time-cycle (i.e., how frequently) do such distributions occur?