Response: The Use of Economic Anthropology in Economic Development

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The author comments on the use of anthropological methodologies in economic development research and practice in a developed economy such as the United States. The focus is the article by Morales, Balkin, and Persky on the closing of Chicago’s Maxwell Street Market in August 1994. The article focuses on monetary losses for both buyers (consumers of market goods) and sellers (vendors of those goods) resulting from the closing of the market. Also included are a brief history of the market and a review of the literature on the informal economy. The authors measure “the value of street vending” by combining ethnographic and economic analytical methods.

MARKETPLACES IN THE CROSS-CULTURAL RECORD

First, let me state that the study of marketplaces, both rural and urban, and connections between them has been a classic (if not the classic) topic in economic anthropology since the 1960s. This research on marketplaces predates most discussions of the informal economy. Historically, marketplaces and marketplace systems have been the major institutions for organizing distribution of goods in most parts of the world. Most marketplaces are connected to larger regional systems, often through complex institutional arrangements, including those organizing trade and markets, precapitalist and capitalist.

To treat the Maxwell Street Market as an isolate—that is, disconnected from other marketplaces in the region, or from other parts of both the formal and informal economy—strikes me as problematic. What were Maxwell Street vendors doing on the other six days of the week? (i.e., when not at Maxwell Street on Sundays). Did they own shops? Did they sell in other marketplaces? Is the Maxwell Street Market part of a larger, regional marketplace system? If not, what other economic institutions are connected to it?

My experience in the midwestern tristate region (Ohio, Kentucky, and Indiana) is that marketplaces, both urban and rural, form part of a rotating periodic system not unlike those that Carol Smith describes for Guatemala and that Cook and Daskin talk about for Oaxaca, Mexico. Vendors sell in one marketplace one day of the week, then move on to another the next day, repeating the cycle week after week. Some of these markets are urban, some rural. With respect to formal structure, there is little difference between marketplaces in developed and less-developed parts of the world.

Functionally, however, there are significant differences between marketplaces in the United States and those in the Third World. Whereas, in the latter, marketplaces are part of the mainstream distribution system, much of which is still tied to precapitalist institutional arrangements, marketplaces in the United States constitute one of several alternative ways of generating cash and purchasing goods outside the mainstream capitalist economy. At the same time, American marketplace systems relate to the mainstream economy in complex ways. Under capitalism, in developed economies such as the United States, marketplace systems are key elements (although by no means the only elements) of an informal economy. Cash generated in marketplace systems

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often goes unreported. I call this system the noncriminal informal economy because marketplaces are public, open places, well known to the IRS and other official (formal) institutions.

INFORMAL ECONOMY

As Morales and his colleagues acknowledge, literature on the informal economy is indeed problematic and reflects the difficulties of using the term "informal economy." Elsewhere, I have suggested an institutional (i.e., comparative and cross-cultural) approach to the informal economy. Briefly, the informal economy equals the nonmainstream or "anti-economy"; however, what is informal in one institutional context may be mainstream in another. Mexican marketplaces, urban or rural, have always been part of the mainstream economy. In Kentucky, as in other parts of the United States, flea markets, part of the system of rotating marketplaces, are also part of the informal economy, but in complex ways. They articulate with the mainstream (formal) capitalist institutions by recycling their goods and by providing freedom (resistance) and sustenance for capitalism's workforce. Many who are employed as wage laborers sell in flea markets on weekends; some people who own farms. Flea markets allow people to generate cash to "feed the family" as a form of off-farm employment. It is thus important to ask, What are vendors doing to make ends meet? Some vendors are full-time, others only part-time or occasional.

Morales, Balkin, and Persky focus on individual vendors and consumers (agents, if you will), not structures. Understanding the structures within which marketplaces operate is key to understanding the place marketplace buying and selling has in the informal economy in general and, in particular, in the lives of the people.

The use of ethnographic methods—which in this case seems rather naive as "participant observation" without considering the immediate regional context or the historical and cross-cultural contexts within which anthropologists have analyzed and understood marketplaces—is at best misleading, at worst conducive to a sterile, mechanistic analysis of a rich and complex economic and cultural system. Questions of the longer run must be examined as well: Surely vendors and consumers alike will find other avenues even more informal than the Maxwell Street Market. To base one's calculations on two weeks (the first two) of the new marketplace seems problematic. It takes time for word to spread about the relocation of vendors, and for the system to restructure itself.

One last point has to do with the role of researchers in saving the Maxwell Street Market. Do these researchers see themselves as advocates for vendors and consumers? A $35-a-day setup fee at Canal Street is quite large, by any flea market's standards. Were there any efforts organized to reduce the fee, or to expand the size of the Canal Street Market and its parking area? It is not entirely clear whether there were any attempts to keep the marketplace at its original Maxwell Street location. The role of researchers as advocates in processes of economic development can be critical, but these researchers appear merely to be wringing their hands.

NOTES


