A Westview Special Study

ISLAND IN TRUST

Culture Change and Dependence in a Micronesian Economy

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About the Book and Author

Many small-scale economies depend on or are affected significantly by subsidies granted by foreign powers. An especially interesting example of this form of financial dependence is Micronesia, a Pacific archipelago that has been a trust territory of the United States since 1947. During the 1970s, appropriations from the U.S. government to Micronesia amounted to more than $1000 per capita. The appropriations provided social services and capital improvement projects, along with employment opportunities for many local people.

This book describes the impact of externally funded, public sector employment on the economy of Micronesia in general and of one island (Kosrae) in particular. Dr. Peoples shows how government employment affects the agricultural sector, consumption patterns, investment decisions by private businesses, allocation of labor, and the economies of individual households. He also shows how the island's indigenous economic organization and cultural practices interact with U.S. policy to influence the pattern of economic change. Comparisons with other dependent areas examine the relevance of the Micronesian case to development studies in general.

James G. Peoples is visiting assistant professor of anthropology at the University of Tulsa.

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James G. Peoples

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Perspectives

This book is a case study of economic change on a small Pacific island. The island, called Kosrae by the inhabitants, lies in the eastern Caroline Islands, which are part of the geographic and culture area known popularly as Micronesia. My major aim is to show how economic change in one of the island's four villages is affected by the recent policies of the United States government, which has administered the widely scattered islands of Micronesia since 1947. In particular, I analyze how the American subsidization of Micronesia since the 1960s affects the patterning of change in certain economic variables, such as production, consumption, business expansion, and the allocation of labor time across its alternative uses.

Presumably, these economic patterns develop as a result of the interaction between two sets of forces. On the one hand are the present-day environmental, economic, social, and cultural conditions of Kosrae. On the other hand are the historic and present external inputs to which the island has been and is being subjected. In the short term, these "endogenous" and "exogenous" forces confront villagers as objective circumstances to which their behavior must adapt. The pace and form of change, in Kosrae and elsewhere, is determined by how individuals and groups perceive these circumstances and adjust their lives to them.

If a claim that the pattern of change is determined by the interaction between inputs into the economy "from the outside" and local-level conditions already "in place" seems like a truism, consider the modernization literature. In their effort to understand development, and the lack of it, from a holistic perspective, modernization theorists constructed an ideal type of social form called the "traditional society" and attributed to it certain features that distinguished it from the "modern society." The two societal forms thus opposed, it was argued that the defining characteristics of the traditional type impeded its transformation into the

modern type. (Hagen 1962; Hoselitz 1960; Levy 1966). Thus we read of "institutional and cultural barriers to modernization," such as the following. Extended family structures oblige those with surplus income to distribute their wealth among a wide range of distant relatives, to the detriment of accumulation (Bauer and Yamey 1957:66; Lambert 1966:122; Lewis 1955). Culturally obligatory ceremonial expenditures also promote the wasteful consumption of resources that otherwise could be saved or invested (Lambert and Hoselitz 1963:397; Smelser 1963:104). World views (Kunkel 1970:218-40) or unconscious cognitive orientations (Foster 1965) of many peasants stifle incentive. Even child-rearing practices and resulting personality types are seen as "obstacles" to the transformation of traditional society (Hagen 1962; McClelland 1970).

It is true that family organizations, ceremonial expenditures, egalitarian ideologies, and other internal social forces can impede change or channel it into undesirable directions. But these negative impacts occur only under certain conditions; under other conditions these same endogenous structures and cultural practices can be positive forces for change. Good examples of such positive effects occur in several regions of Melanesia studied by Belshaw (1964), Finney (1968; 1973), Epstein (1964; 1968), and Salisbury (1970). One common element in these studies is their documentation of economic growth in the context of non-Western, "traditional," social institutions and cultural values. For example, in some societies indigenous leaders maintained their familial and ceremonial obligations to extended kin and political clients. These social and economic debts later were called in for purposes of investment in novel economic activities. Relations originating in a "traditional" society thus became important resources that aided accumulation of land, labor, and capital. In other regions, traditional family forms have provided a ready-made organizational framework for the development of specialized economic groupings (Benedict 1968).

These case studies remind us of two facts that social scientists familiar with non-Western sociocultural systems already should know. First, the diagnostic features ascribed to "traditional society" in order to form a historical contrast to "modern society" drastically understates the diversity that exists in non-Western societies. Ethnographic research surely has demonstrated that there is no empirical basis for dichotomizing societies into only two abstract forms. Certainly it is useful for some purposes to construct ideal types, even if they are mere caricatures of reality. But to construct such caricatures and then argue that the features of the one impede its transformation into

the other is to reify an abstraction. Second, because of this diversity, there is no a priori reason to expect that the institutions and ideologies found in non-Western societies will hinder the growth of their economies. "Sociocultural factors" may affect economic growth positively, negatively, or not at all, depending both on their specific characteristics and on the nature of external inputs.

Equally important for the present study, the modernization approach gave insufficient attention to those forces that originate from outside the so-called "traditional" society, that had an important role in creating it, and that continue to affect it. There was an assumption that the present-day characteristics of these societies, if not entirely representative of their aboriginal state, at least are remnants of it. The centuries of colonial pressures that affected most of Latin America, Asia, and Africa seemingly had no role in generating the form that these societies have today. The people of these regions therefore were denied the history that would show that their present is the historical product of their interaction with the agents of the colonizing nations. Thus, in his worldwide study of "the people without a history," Wolf writes of modernization theory:

> By equating tradition with stasis and lack of development, it denied societies marked off as traditional any significant history of their own. Above all, by dividing the world into modern, transitional, and traditional societies, it blocked effective understanding of relationships among them. (Wolf 1982:13)

This history need not produce a society with the characteristics ascribed to "modernity"; nor should the variety of societies in the world today be viewed simplistically as stages in the transition from "traditionalism." (Amin 1972:520; Hutton and Cohen 1975)

Thus, by collapsing non-Western societies into a single ideal type, modernization theory gave insufficient attention to the diversity of these societies and to the potentially variable impact that this diversity has on development. Further, lacking an historical perspective on societies lumped into the traditional category, it mistakenly equated their contemporary institutions and cultural practices with their original state. However, an even more serious weakness of modernization theory did not become apparent until the late 1960s and 1970s, with the emergence of an alternative approach that became known as dependency. Dependency "takes as its central premise that it is impossible to

comprehend the processes and problems of development in the Third World without treating this within the wider socio-historical context of the expansion of Western Europe mercantile and industrial capitalism and the colonization of the Third World by these advanced economies" (Long 1977:71). It is not "what's inside" the society that blocks its transformation, but rather the way in which it was and is incorporated into the worldwide political and economic system (Frank 1966; Wallerstein 1974, 1979). Contrary to the popular conception, poverty was not the original state of those regions that today are underdeveloped. Rather, in China, India, and parts of Southeast Asia, Latin America, and Africa, the colonizing nations encountered civilizations that themselves were developing rapidly. European powers extracted their natural resources, enslaved or otherwise exploited their labor, and appropriated their surplus, all for the purpose of developing Europe's own capitalistic economy.

According to the dependency approach, just as the rich nations owe their rapid rates of growth and industrialization to the exploitation of their colonies in the past, so today do they continue to develop at the expense of their satellites in the Third World. But the process by which the wealthy nations "extract" economic surplus from underdeveloped regions by "penetrating" their economies has altered as the world system has evolved. Expropriation of natural resources, labor, talent, and so forth now occur through the agency of the multinational corporation and financial institutions (Barnet and Muller 1974; Muller 1973). Development and underdevelopment thus are part of the same worldwide process, namely the global expansion of the capitalist economic system, which underdevelops the rest of the world as it develops itself.

I do not wish to debate the empirical merits of the dependency literature, which has been criticized from a variety of political and scientific perspectives (Dannhaeuser 1983; Foster-Carter 1978; Laclau 1971; O'Brien 1975; Taylor 1979). Despite its deficiencies, one contribution of the approach that is likely to survive is its most general point: Third World peoples are today and have been for centuries part of a worldwide economic and political system that affects their possibilities for improving their lives more strongly than any institutional or cultural characteristics internal to their societies. Dependency thus corrected modernization theory's overemphasis on the internal characteristics attributed to a traditional type of society that itself was imaginary.

The dependency approach is useful to the description and analysis of this book for two reasons. First, its historical perspective is required to understand the

present economic and cultural state of the island. As shown in chapter 3, the interaction of the Kosraen people with early traders and missionaries gave rise to novel organizational forms and cultural practices. These forms and practices themselves now are critical influences on the pattern of response of the islanders to recent external inputs. Second, regardless of the relative adequacy of dependency as a theory of development and underdevelopment, it does have the merit of focussing our attention beyond the boundaries of specific research sites (and academic disciplines) to determine the global-level forces that affect the societies we study. Indeed, even if dependency is weak as a generalized "theory" of underdevelopment, it still might be useful as a "methodology" for the investigation of concrete cases (Palma 1978), a point discussed further in the concluding chapter.

I also hope to make two substantive contributions to the dependency literature. First, although Micronesia is a dependent area in almost any sense of the term, the way in which it is dependent scarcely is described in the existing literature on the subject. Chapter 2 documents the existence of this seldom-described form of dependency and describes its economic implications for a little-known area of the world. Second, through this case study I hope to make an anthropological contribution to the dependency approach. In my view, we ethnographers usually do our best work in villages with populations of a few hundred to a few thousand. In their effort to overcome the excesses of the modernization approach, some dependency writers leave the impression that the constraints imposed on the small villages of the world are so severe that "what's inside" them organizationally and culturally is of little consequence for understanding their reactions. Yet, within these constraints, villagers make choices about how to allocate the resources at their disposal. Most anthropologists believe that the resulting strategies vary with local-level environmental, economic, and sociocultural conditions, as well as with world-system inputs. A major theme of this study, and I hope a correction to dependency's tendency to underestimate the significance of these conditions, is that the economic patterns in the village studied result from the interaction between endogenous and exogenous forces. I describe the specific local-level conditions that interact most strongly with external inputs, analyze how they interact, and show the economic patterns that result from the interaction. This analysis appears throughout the book, but is most explicit in chapters 5 through 10.