

PANORAMA OF THE NOTION OF VALUE THROUGH A COMPARATIVE APPROACH BETWEEN ANTHROPOLOGY AND ECONOMICS

Amour Normain RAKOTOBE,

Doctoral student in Management Sciences

Doctoral school in Human and Social Sciences,

*Doctoral Team in Dynamics of Management Organizations and Management of the University of
Antananarivo, Madagascar*

Carole TOTOZAFY,

Doctoral School of Human and Social Science

Domain : Arts, Letters and Human Sciences of the University of Antananarivo, Madagascar

Thierry Mamiarinjato RAKOTOBE,

Doctor of Science in Social Anthropology

Lecturer at the University of Antananarivo

University of Antananarivo, Madagascar

ABSTRACT

This article attempts to sum up the three main approaches of the concept of value. The first approach covers all the authors who focus their studies on the creation of value : value as labour, value as action or value built through society. The second one is mainly about the different meanings of the concept : value in linguistics or defined as desire. As for the last one, it refers to all the authors that talk about the functions of value. Basically, it gathers economists with value as utility or value seen through exchange. And through all those approaches, in the end, value is just one concept with different facets.

Keywords : *value, creation, meaning, function*

1. INTRODUCTION

Almost all social or human sciences have talked about the concept of value. As such, many authors have worked on it in : anthropology, economics, sociology, philosophy, business management, etc. Somehow, value became a concept everyone knows without fully understanding it. For instance, it is said that economics (the social science) has started with the study of the origin and the nature of value as presented by David Graeber in his book *A Handbook of Economic Anthropology*[1]. He makes reference to Adam Smith, seen as the father of liberalism in economics and his famous work : *Recherches sur la Nature et les Causes de la Richesse des Nations*[2]. However, in the field of anthropology, the interest started in the late 1950s with Klyde Kluckhohn who stated that the science of cultural anthropology should be a comparative science of value[3].

Here the study focus on the different definitions and descriptions of the concept of value as portrayed in the field of economic anthropology. Therefore, it is oriented towards major theories of value in the social science of

economics and in cultural anthropology. And after much deliberation, this article divides the different theories and considerations about value into three (03) categories. At first, it challenges how value is created. Then, it provides details for the different meanings of the concept. Last but not least, it shows the various functions of value.

2. CREATION OF VALUE

What or who creates value ? How it is created ? And how does it develop or change over time ? Those questions, the researchers categorized in here tried to answer them in their work. Three (03) ways to create value has been identified here :

- Value as the result of labour needed to produce the object ;
- Value created through action ;
- Value seen as the creation of society and in the social history of things.

2.1. Labor theory of value

The British economist David Ricardo has got famous by working on Adam Smith's labour theory of value. He added to his predecessor's theory by saying that the exchange value of a commodity depended on the quantity of labour (direct or not) needed to produce it[4]. Quantity here refers to the working time, in other words, the hours needed to produce the commodity is equivalent to its value. And as a matter of fact, Karl Marx went deeper into this labour theory of value by changing « labour » into « action » as described in the next section.

2.2. Action as the origin of value

First of all, Karl Marx agrees with Adam Smith and David Ricardo's labour theory of value. Commodity value is determined by the labour needed to produce it. And that is to the point of saying that it is the object that has value[1]. If that is the case for commodities, what about other things that are not commodities ? What about concepts such as honour of familial values ? Those also have value. Marx proposes « action » as the origin of value. And the action that creates commodities' value is called « labour ». « *Tokens of honour inspire honourable behaviour, tokens of piety inspire religious devotion, tokens of wisdom inspire learning and so on. Their value is just that of the actions they represent, but the actors see them as valuable in themselves.* » [1].

Few neomarxists such as Terence Turner and Nancy Munn have continued on this approach of action as the origin of value. For instance, Nancy Munn expanded the Marxist theory of value. « *Value emerges in action ; ... Value, then, is the way people represent the importance of their own actions to themselves... It can only happen through that importance being recognized by someone else... Commodities have to be produced (and yes, they also have to be moved around, exchanged, consumed...), social relations have to be created and maintained ; all of this requires an investment of human time and energy, intelligence, concern. If one sees value as a matter of the relative distribution of that, then one has a common denominator.* » [1]. For Nancy Munn, at least two (02) people are needed to create value : one that makes the action and another one to recognize the importance or the value of the action. Also, human action is always needed no matter if it is about commodities or social relation as quoted in the passage above.

2.3. Value by society and the social history of things

Besides value seen as the creation of labour and action, some researchers see value as a creation of society. Society gives importance or not to objects and commodities. The anthropologist Arjun Appadurai edited a book entitled *The Social Life of Things : Commodities in Cultural Perspective*[5]. And as its name suggests, the book declares that an object has a social history or precisely a history of its changing value. For him, value is created through exchange. An exchange influenced by society : its politics of value and its regime of values. Politics of value refers to the history of how the elites try to limit the exchange and consumption (through taste[6] for example) whereas the population tries to expand the market. As for the regime of value, it is the result of the conflict between both sides at a given time. In Arjun Appadurai's perspective, politics of value and regime of value influence the exchange and directly the concept of value.

In the same book edited by Arjun Appadurai, Alfred Gell wrote an article entitled : *Newcomers to the World of Goods : Consumption among the Muria Gonds*[5]. In summary, this article compares the consumption patterns of members of the Muria tribe and Sri Lankan fishermen when their income significantly increased. When newly wealthy individuals emerged in the Muria tribe, it went unnoticed because social pressures (from the family, the village, and society) ensured that the rich consumed as if they were poor. The goal of this type of consumption is to maintain a traditionally egalitarian society within the Muria tribe. Apparently, only consumption directly or indirectly related to village rituals or public festivals is perceived as valuable. « *Objects are desirable if they have meaning within the context of public feasting; otherwise, they have no value.* »

3. DIFFERENT MEANINGS OF VALUE

While the first description of the concept of value generally gathers the authors' responses to the question of how value is created, this section focuses more on the meanings of the concept. The research identifies two (02) interpretations of the concept of value according to predecessors. The first meaning discussed is a linguistic approach, specifically the Saussurean approach to value. Other anthropologists, such as Edward Evans-Pritchard, have also expressed the concept of value through meaning, though they are less renowned. The second meaning of value seeks to understand the definition of value based on the principle of desire, as developed by anthropologists such as Clyde Kluckhohn, Mary Douglas, and Baron Isherwood.

3.1. Linguistic Meaning of Value

Ferdinand de Saussure is the pioneer of this linguistic approach to value, hence the term "Saussurean approach." For him, value is defined and understood according to the meaning of a word within the context of a system. This meaning distinguishes the word from others in the same context, and it only makes sense within that context. « *The meaning of « river », for example, is defined in relation to all the other words in the same lexicon ('stream', 'brook', 'inlet', and so on).* [3] ». This approach focuses more on vocabulary than on grammar, more on nouns and adjectives than on verbs—thus more on objects than on human actions[1].

Apart from Ferdinand de Saussure, Edward Evans-Pritchard also discussed value in a somewhat similar manner. In his book *The Nuer : A Description of the Mode of Livelihood and Political Institutions of a Nilotic People*[7], he suggests that value is embodied in words, and these words influence behaviour. He uses the example of « cieng » the term used by the Nuer to refer to home[8] or household. When a Nuer uses this term, they first identify themselves as a member of a community and as a non-member of others. He adds the concept of « political values » which is defined as the feeling and recognition of members belonging to one community rather than another. Furthermore, if a Nuer who wants to return home is outside the village, using the term implies a desire to return to the village. If they are already in the village, it signifies returning to their household. For Edward Evans-Pritchard, value is relative, depending on the context. The values of « cieng » for the Nuer are therefore: home, village, tribe, etc. The context determines which of these values the term holds at a given moment.

In summary, using linguistics to define value implies that the value of something is the meaning of the word used to describe it. This meaning, or the value of the word, can only be fully understood within a given context. The example of Mary Douglas and Baron Isherwood in *The World of Goods: Towards an Anthropology of Consumption* illustrates this notion of value being inexplicable on its own: « *Nothing has value by itself: what is the good of one shoe without the other? A comb for a bald head? Since value is conferred by human judgements, each thing's value depends on its place in a series of complementary objects.* [9] »

3.2. Value as Desire

Regarding value as desire, the study revisits Mary Douglas and Baron Isherwood's work on consumption. They wrote that economists assume desire is a psychological impulse of the individual, while anthropologists see objects as desired because they allow for gifts, sharing, and fulfilling social obligations[9]. However, it is anthropologist Clyde Kluckhohn who most extensively explored the definition of value as desire[3]. He focused his research on value, even arguing that anthropology should be a comparative study of values, which he pursued in 1950 with his « values project ». He conducted a comparative study of values in five communities in Rimrock, New Mexico. His methodology was simple : he sent five students to study each of the five communities while he stayed at Harvard University to refine his analysis.

In general, for Clyde Kluckhohn, value is the conception of what is desirable. « *The key term here is « desirable ».* *The desirable refers not simply to what people actually want—in practice, people want all sorts of things. Values are ideas about what they ought to want. They are the criteria by which people judge which desires they consider legitimate and worthwhile and which they do not.* [1] ». In short, value is a set of criteria that defines what should be considered desirable among all the desires a person may have, with each culture (or community) having its own definition of what holds value.

4. FUNCTIONS OF VALUE

It can be said that economics generally defines value through utility and/or exchange, represented by the well-known terms: use value and exchange value. Two (02) functions of value are therefore presented in this research through the following subsections :

- Exchange value ;
- Use value.

4.1. Exchange Value according to François Quesnay and Adam Smith

François Quesnay is the founder of a doctrine in economics known as physiocracy, often described as a doctrine abandoned without being refuted doctrine. As a physician, François Quesnay approached his research on the origin of wealth like a biologist. He considered value to be the common denominator of all new or transformed wealth, making it the unit of measure for wealth, as it expresses the fundamental and permanent needs of the species. For him, value is not under human control because human survival depends on it. He proposed two (02) types of value : an absolute and invariable value, which he called use value. This value is defined as the utility or usage of a good. The second type is variable, known as venal value, which refers to the price of a good, serving the function of regulating exchange. A good has a constant use value, but only a good with venal value or a price is considered wealth[10].

Liberal economist Adam Smith also developed his theory of value based on the existence of two types of value : use value and exchange value. Use value refers to the utility of a good, while exchange value refers to its ability to be traded for other goods. Like François Quesnay, Adam Smith[3] used the example of water and diamonds. Water is highly useful but has no market value, whereas diamonds are less useful but have higher exchange value. This comparison is known as the "paradox of value." Adam Smith attempted to resolve this paradox by introducing his famous labour theory of value. In this sense, the exchange value of diamonds comes from the labour required to extract them. In short, the function of exchange that characterizes the value of a good never stands alone; it is always accompanied by use-value. This is because exchange value can only explain the value of goods that are traded, while use value explains the value of goods that are not exchanged.

4.2. Use Value or Utility

Many consider use-value or utility as the definition of value, especially orthodox economists from the neoclassical or Marginalist school of economic thought[4]. The objective of the so-called rational economic agent is to maximize this utility or satisfaction. This theory of utility value can be applied to all aspects of life. David Graeber explains this possibility in his book : « *If you are sufficiently determined, you can always identify something that people are trying to maximize...The assumption, most of all, that no one ever does anything primarily out of concern for others; that whatever one does, one is only trying to get something out of it for oneself*[1]. » Honour, prestige, and any value such as well-being or vitality can be maximized in the same way as one maximizes the use value of a good or profit. It is important to note that formalists like Melville Herskovits are proponents of extending this utilitarian value theory to economic anthropology.

Based on the documentation, this study can only affirm David Graeber's earlier statements. The many definitions and approaches to value are simply different sides of the same coin. In *A Handbook of Economic Anthropology*[1], he describes : « *What would it mean to say these are all, ultimately, versions of the same thing ? Presumably, several things. It would imply the existence of some kind of symbolic system that defines the world in terms of what is important, meaningful, desirable or worthwhile in it. This system of value would presumably extend to everything from feelings about what one might like to eat for breakfast to what human beings basically owe one another or how one wishes to be remembered after one is dead* ». The same goes for the very definition of value in the business management world. Véronique Malleret[11] adds that a consensus definition of value does not exist.

5. CONCLUSION

David Graeber in one of his books on the subject, *Toward an Anthropological Theory of Value : The False Coin of Our Dream*[1], states that anthropology has three (03) approaches of the concept of value. The first one is sociological and philosophic. Values (in plural) are about everything that the market cannot regulate, or do not enter in the economic sphere : prestige, honour, freedom, familial values, etc. The second approach is economic with its famous theory of exchange value. The last one is linguistic with its negative value or value seen as a difference of meanings. Those approaches represent the main theories of the concept of value while the other ones are built upon them.

This study synthesizes the concept of value as follows: Value is both an objective and subjective concept. It is inherent in any object (a good, a commodity, etc.) and in actions (work, aid, giving, etc.). Society and individuals assign value to all objects and actions, creating a hierarchy or value system. Value is a common denominator synonymous with desire, satisfaction, and utility of objects and actions. Moreover, value evolves because its hierarchy within the value system can change over time. In the context of trade, exchange value is created. Although it is influenced by society and individuals, it is primarily the exchange process that generates this value, which is materialized in the form of the price of goods.

6. REFERENCES

- [1] Graeber, D. (2001). *Toward an Anthropological Theory of Value: The False Coin of Our Own Dreams*. New York: Palgrave.
- [2] Smith, A. (1776). *Recherches sur la Nature et les Causes de la Richesse des Nations*. Paris: Courcelle-Seneuil.
- [3] Carrier, J. G. (Éd.). (2005). *A Handbook of Economic Anthropology*. Edward Elgar.
- [4] Montoussé, M. (1999). *Théories Economiques*. Bréal.
- [5] Appadurai, A. (Éd.). (1986). *The Social Life of Things: Commodities in Cultural Perspective*. Cambridge University Press.
- [6] Bourdieu, P. (1979). *La Distinction: critique sociale du jugement*. Paris: Les Editions de Minuit. doi:
- [7] Evans-Pritchard, E. E. (1940). *The Nuer: A Description of the Modes of Livelihood and Political Institutions of a Nilotic People*. (J. Johnson, Éd.) University Press Oxford.
- [8] Douglas, M. (1991). The Idea of a Home: A Kind of Space. *Social Research, an International Quarterly*, 58(1), 287-307.
- [9] Douglas, M., & Isherwood, B. (1996). *The World of Goods: Towards an Anthropology of Consumption* (éd. 1996). London: Routledge.
- [10] Grandamy, R. (1973). *La Physiocratie: Théorie Générale du Développement Economique*. Paris: Mouton.
- [11] Malleret, V. *Peut-on gérer le couple coûts-valeur ?*. Groupe HEC.

