

An Overview of Village Economics

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To undertake this study of “Village Economics,” I traveled to Guatemala in search of a “traditional” village. Destiny took me to San Pedro la Laguna, a *real* village nestled along the shores of spacious Lake Atitlan. San Pedro, with a population of around 5000, is the largest of many old villages lining the shores of the lake. San Pedro is fairly isolated, accessible only by boat, and so was a convenient ‘laboratory’ for study, with well-defined boundaries and obvious inputs and outputs. Because of its isolation, national currency – the Quetzal – was introduced into common usage just fifty years ago. There are still residents of the village who grew up before the infiltration of the global economy, so a stark comparison could be made between a truly traditional economy, and its accompanying lifestyle, and the local economy and lifestyle that have evolved since infiltration. All these factors made San Pedro la Laguna an excellent choice for my study of “Village Economics.”

I approached the study as an amateur ethnographer (and economist). I found a hostel tucked away among some trees and stayed put there for a full month. I developed the methodology of reading Mayan cultural literature in the mornings, touring the village with camera and notebook in the afternoons, and then returning to the hostel area in the evenings to write in my journal and organize my field notes. At the hostel-bar-restaurant scene, I befriended many of the locals, who became my ‘informants.’ With this routine, I compiled over 100 pages of field notes, and the following report summarizes my discoveries. The report is organized around a set of ten questions I posed before my journey, and the answers to these questions form the content of this paper:

- 1) *To what extent has the local village economy been made dependent on the global economy, through colonialism, and to what extent does this detract from local, long-term sustainability?*

The global economy is so insidious – it has forced itself into every nook and cranny of the globe. Like a toxic slime, it has covered everything, and adversely affected the lives of everybody, extracting the life out of whole communities. What is truly tragic is that it has infected the minds of the people as well, so that they are not even aware of their self-undoing collusion.

This is what I discovered: San Pedro has become increasingly dependent on the global economy, seriously threatening local long-term sustainability. In point, everybody

in the village is hungering for Quetzals and the things Quetzals can buy, and they are willing to do almost anything to obtain this national currency (which is, of course, intimately connected to larger global financial cycles). The villagers have rearranged their lifestyles, compromising traditional ways, in order to facilitate the maximum input of currency.

Quetzals enter the village through two primary means: export coffee crop and tourism.

The coffee industry scene in San Pedro is frightening: Many people are working very, very hard so that rich northerners can get their caffeine jolt in the morning. All the best lands in and around the village are set aside for coffee production. The slopes of the neighboring volcano are being cleared higher and higher to make room for coffee bushes. (They say there used to be a perennial cloud hovering over the volcano, transpiration from the local forest, but that cloud is now gone.) Maximum yield of coffee beans is now the blind, over-riding goal. To achieve this end, the villagers have become locked (one could say coerced) into the industrial chemical cycle, relying on high-intensity fertilizers, herbicides, and pesticides. Many farmers are getting sick because of lax application practices resulting from lack of proper education, but they can't get off the 'merry-go-round' now, because they need maximum yield in the next year's crop to pay for the debt they incurred purchasing the chemicals in the current year (sound familiar?). Along with the people, the land is getting sick, lifeless, because the natural fertility has been drained. It will take years now to regain the fertility, but the people don't have time to spare – they are now synchronized with multi-national, quarterly growth-earning calculations.

Traditional Mayan culture revolved around the staple maize; in fact, researchers believe that the Guatemalan Highlands were the origin of maize cultivation. Traditional peoples developed rituals, customs, and religious practices in honor of this life-sustaining plant. With the domination of export coffee production, maize cultivation is now relegated to marginal lands, often dry, steep slopes that quickly erode. Productivity has declined so much that maize consumption is now supplemented with imported rice! This, perhaps more than any other indicator, demonstrates the degradation of the traditional culture, and the slide into un-sustainability resulting from a dependence on the global economy.

Likewise, the influx of tourism has contributed to a demise of traditional sustainable culture. The tourists are welcome, because they bring mucho Quetzals, but they also bring a hedonistic, individualistic debauchery that is contrary to traditional values. Because of its isolation, San Pedro has no police force; cocaine use is openly apparent, and now children walking to school in the morning must pass buggy-eyed, sniffing users stumbling home from an all-night binge. The European tourists,

especially, tend to lounge around all day, and then gravitate to the bars at night. Somehow, the big Quetzal influx seems to be falling into the wrong hands; that is, it seems to be offering little benefit to the village as a whole. Also, the children, though they may be well-fed, are often found begging for Quetzals so that they can buy sweets or some useless plastic gadget. This is not a demonstration of respect for the dignity and honor of the ancestors, something that is so important to the Maya. Prostitution, though I didn't witness any, is also suspect under these circumstances. In my evaluation, tourism accelerates un-sustainability because it undermines traditional values, and because it hyper-inflates sectors of the economy that in no way contribute to the health of the community as a whole.

In summary, colonialism has made San Pedro increasingly dependent on the global economy, and has harmfully detracted from its long-term sustainability. The shift from maize-centered agriculture to export coffee-crop production has seriously deteriorated the land, the people's primary natural capital, and has undermined traditional culture. Likewise, a hunger for tourist currency has created an artificial sector of the economy, and also has compromised traditional values. There is an inescapable connection between traditional villages – traditional culture – local village economy – and sustainability, and these connections will be explored further. For now, the conclusion is: Once a local economy becomes dependent on the global economic system, it has entered the murky, life-draining realm of un-sustainability, because the global economy itself is not sustainable.

2) *To what extent has the local village economy retained traditional economic practices, and to what extent does this help to ensure long-term sustainability?*

Axiom: Traditional economic practices ensure long-term sustainability. A traditional village economy is inextricably derived from the natural capital that is the surrounding ecosystem of the village. Natural capital comprises the flora, fauna, minerals, and natural processes of the surrounding ecosystem that can be made useful for human adaptation. As the ecosystem thrives, so the village economy prospers. The village economy *is* the translation of its local, natural capital into useful productivity. As long as the health, diversity, and abundance of the natural capital is maintained and cyclically renewed, the village will enjoy sustainability – that is, it can be continued into the indefinite future. The entire structure of the village itself is an integral part of the ecosystem, and if the ecosystem deteriorates, so does the life of the village. This is why traditional village cultures sanctify their relationship with the land – through ritual, custom, and religiosity – because there is such a direct connection between the land and their own well-being.

The global economic system is an abstract imposition upon the land; it regards the land as a commodity, to be bought and sold by absentee owners who have no direct relationship with the place. The primary objective of this system is to extract the natural capital of the land as quickly and efficiently as possible, rapidly convert it into arbitrary monetary units, and then transport the wealth to distant power centers. Short-term profits and high-consumption, ego-centered life-styles are the ultimate goals, with little consideration given to the health, maintenance, replenishment, or long-term sustainability of the land that is the source of the wealth. The global economic system is in complete contradiction with the necessity for sustainability.

The tragedy is that the villagers of San Pedro are buying into the sham. They see their neighbors acquiring motorcycles or stereos or cameras, and they want to be a part of it too. They are willing, sometimes anxious, to suspend their traditional culture and values, and modify their traditional economic practices so that they can enter the consumption game. As an example, I was saddened to see some young Maya women abandoning the traditional dress of beautiful skirts and blouses, sporting instead sweatpants bearing corporate logos like “Nike” or Adidas.” Of course, this is not just occurring in San Pedro, but at every intersection of the First and Third Worlds. What a strange paradox: that these people are adjusting their lives, and threatening their sustainability, so as to acquire more of what they believe they have been lacking, while at the same time there are those of us in post-industrial countries who are attempting to free ourselves from that which these people believe to be valuable, and instead, are attempting to acquire more of what the traditionalists already have!

Fortunately, in San Pedro, the villagers are still sufficiently grounded in their traditional economy to maintain a connection with reality. There is still fishing in the lake for a protein source; there are still the traditional crafts of weaving, pottery, lapidary, and basketry; and many people are still growing food. When the global economic meltdown occurs, San Pedro will be able to make a relatively rapid transition back to sustainability. That’s because it is a *village*, and so it grew organically integrated into the natural world. A place like Bellingham will suffer greatly, because it is well-beyond the village stage, floating in the abstract realm called ‘civilization,’ and relatively disconnected from reality, which is: integration into the natural world.

- 3) *What is the comparison between traditional vs. colonial economic practices and how does the pursuit of each contribute to or detract from overall social cohesion (happiness)?*

A truly traditional village economy is cash-less. Real wealth is tangible, and comes directly from the produce of the land. Those villagers not directly involved in primary

production are still producing real wealth through value-added secondary production, or are providing valuable services that are recognizable needs for the local community. The economy is certainly a collective, communal arrangement, and the primary goal is to ensure that every member has what they need, with enough free time left over for celebration and ceremony. A social cohesion results that is the *prima facie* of village life.

Colonial economic practices distort the primary relationship between the people and the land. Real wealth is exported out of the community and is replaced by arbitrary tokens, money. The money is then re-traded for colonial industrial or luxury products that are not really needed. The economy becomes abstracted, with the prime motivator being the acquisition of arbitrary tokens. Social cohesion breaks down as the people compete for money that is purposefully made scarce.

In San Pedro, I thought I would see a lot of trading and bartering, the mechanisms of an internal, cash-less economy. Unfortunately, according to one of my informants, this is now very rare. Once again, everybody wants Quetzals. Business between neighbors is now done with the exchange of currency. Some people are emotionally more predisposed to 'wheeling and dealing' than others, and so acquire more tokens. An uneven income distribution results that further strains social cohesion.

I cannot judge accurately how much social cohesion has been lost: the Maya of San Pedro certainly have much more social cohesion than the citizens of any town in the USA; yet, with the erosion of traditional values resulting from the infiltration of the global economy, already discussed, I would guess there must have been much more social cohesion (happiness) in the recent past. That surely would have been a delight to experience.

- 4) *In those areas where colonial practices have replaced traditional practices, what are some low-tech, locally controlled substitutions that can be made to replace the colonial impositions, once these impositions are inevitably removed?*

This question is a bit confusing and out of context with what I studied. There are NGOs that do this kind of work, usually under the rubric of "Sustainable Development," which is an oxymoron. It would be out of place for me to attempt to introduce technologies anyway; the people already know what they need. If I were to live in the area for an extended period, I would certainly set up my own alternative technology models, and those locals that were interested could surely participate, as neighbors and friends.

- 5) *Considering the primary energy cycle, originating from the Sun, is entropy either enhanced or retarded by village economic practices, whatever their origin?*

A whole other paper – or indeed a whole book – could be written concerning these observations. *A Survey of Ecological Economics*, edited by Rajaram Krishnan, for example, has many discussions about the primary energy cycle and its relationship with economics. Suffice it to say, for now, that a traditional village economy is very effective at retarding the rate of entropy, and maximizing productivity from the primary energy cycle, originating from the Sun – that’s what makes it sustainable! The hyper-extended, hyper-inflated global economy accelerates the rate of entropy, and squanders the primary energy cycle – that’s why it is not sustainable, why it has a limited life span.

I summarized the primary energy cycle in a previous paper, and I believe it is pertinent to include here: “Terrestrial energy in any form ultimately originates from the Sun. Plants, as primary producers, collect this energy and utilize it in their metabolism, photosynthesis, creating sugars and expelling degraded energy. Humans and other heterotrophs then absorb plants for their own metabolism, and in turn expel degraded energy into the environment as waste material that can be utilized by bacteria and other decomposers. The bacteria and decomposers then convert this waste material back into a form that can be utilized by plants. The original, pure solar input is eventually lost, however, and the plants need a continual flow of incoming solar power to keep the whole process alive. This is a simplified version of the primary energy cycle of Life on Earth; it all begins with the Sun. The continual, inevitable degradation of incoming solar energy to less usable forms is termed ‘entropy’. A viable economy – which ultimately means the process by which Life sustains *itself* – will be modeled upon this primary energy cycle. Its goal will be to arrest the flow of entropy and enhance the utility of the solar input at each stage. This is the essence of sustainable village economics.”

- 6) *What are the levels of consciousness involved in either of these practices?, that is, promoting local, sustainable village economics, or adopting global, colonial economics. Levels of consciousness can be evaluated by, a) consideration of mutual benefits for all; b) anticipation of a brighter future; and, c) awareness of a larger order in the people’s lives.*

The scope of this question is also enormous in magnitude, and I am not qualified to judge people’s levels of consciousness, particularly indigenous people with a precession of ancestors living in the same place for thousands of years. I can touch upon it, however, by relating a story: A couple times during my strolls about the village, I witnessed the following custom: An elderly, gray-haired person would be formally greeted. The greeter would then gently take the elderly person’s hand, and bend down

slightly to kiss it, while the dignified elderly person smilingly offered their hand to be kissed. The first time I saw this, my heart dropped – I never saw before such an open, public demonstration of respect and honor. I was completely humbled. When I asked my informant about this custom, he said it was much more common in the recent past, before the intrusion of the global economy and the concomitant erosion of traditional values. Look at how elderly people are treated (and treat each other) in post-industrial cultures and you will have a clue as to the direction I will take in my discussion on comparative levels of consciousness between the two cultures, once I am qualified to expound on such matters.

7) *What are the Permaculture practices that have been instituted to ameliorate the damaging effects of the colonial influence?*

Permaculture, as a wholistic design discipline, is not being practiced in San Pedro. Perhaps I will introduce it to my friends next time that I am there.

8) *Are there economic exchanges taking place without the use of cash?*

This question was already discussed.

9) *What are the gender roles in a traditional economy?*

Gender roles are very structured and ordered in a traditional economy. Marriage is common and desired, and children are inevitable. Husband and wife form an economic team, and the tasks each will assume were organized in advance, over a long, slow process of cultural evolution. There is tremendous stability in this arrangement – its goal is to efficiently provide for the needs of the household, to contribute to the social health of the community, and to perpetuate the culture *indefinitely*.

In traditional cultures, postmodern academic notions like “Feminism” or “Race, Class, and Gender” are too abstract and too far removed from the needs of daily life to have any meaning or value. Feminism, as a matter of fact, when introduced by visiting anthropologists or fashionable, middle-class Latina women, has been outright rejected by traditional Maya women. More than anything, these Maya women want to create a better life for themselves, their families and communities – but, they want to do it in solidarity with the men; they want to walk into a better life together, side-by-side, in cooperation and partnership. This attitude arises from a deep-seeded wisdom that

accompanies traditional cultures, integrated as they are with natural processes, and so being the organic product of thousands of years of ancestral heritage – this attitude also fosters sustainability. (For a more detailed discussion, see: *I, Rigoberta Menchu: An Indian Woman in Guatemala*, edited by Elisabeth Burgos-Debray, 1983).

10) *What are the relationships between Economy and Culture and Ecology?*

This theme has been discussed throughout this paper; indeed, it has been the essence of my education. My conclusion is: traditional villages are sustainable – without intervention, they can be continued into the indefinite future – *because they are intimately, harmoniously integrated into the ecology of their encompassing ecosystems*. Village culture, then, grows directly from the land at *a specific place*, a highly localized piece of Earth, and will be unique to that particular place, though it will share aspects in common with all village cultures. Village economics, as one component of village culture, also is rooted in one specific place – the surrounding ecosystem of the village – and is the translation of a healthy ecology into products desirable for human use.

The use of the term ‘village’ is very significant, and comes with a definition. A village is human-scale: it is large enough so that all the needs of its inhabitants can be met, with complete specialization of tasks, but not so large that there are anonymous people; in a village, everybody is known, and strangers are instantly recognized and assessed. The actual size depends on the ‘carrying capacity’ of the surrounding ecosystem. Settlements smaller than villages are called ‘hamlets;’ in a hamlet there are not enough people for a diversity of specialization of tasks, so culture is limited to necessities. A ‘town’ has enough people so that not everyone is known, and suspicions develop concerning the motivations of strangers. A town has outgrown the carrying capacity of the surrounding landscape, so a polarity of interests develops over the allotment and use of ever-scarcer resources. A ‘city’ is a blight on the landscape, and results in the complete impoverishment of the natural ecology. Strangers are numerous and a general feeling of distrust, anxiety, and fear prevails, leading to isolation and alienation. Civilization, the culture of cities, is an abstract human construction, and is completely divorced from natural processes. The goal of civilization is to maximize and concentrate arbitrary power, and this eventually leads to its own self-annihilation, and this has been repeated historically. With this review of human settlement patterns, it becomes obvious that the optimum blend of diversity and sustainability occurs at the *village* scale. It is there that humans have the opportunity to achieve maximum self-realization.

If *Homo sapiens* wants to continue its evolutionary experiment into the indefinite future, it must reorganize itself at the village scale. This is already occurring with the emergence of the “Ecovillage:” a thoughtful synthesis of appropriate technology with traditional settlement patterns, harmoniously integrated into the environment. The Ecovillage is a conscious attempt at creating sustainable human settlements for the 21st century; it will prove to be the transitional step in the civilized (city-based) human being’s reintroduction into Nature. All the tools are available; we’re just waiting for that leap in consciousness...

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