A Handbook of Economic Anthropology

Edited by

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Note

1. The Baxter referred to here was a writer on Puritan ethics.

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22 Economies of ethnicity

Thomas Hylland Eriksen

Ethnicity is often said to be an irreducibly dual phenomenon in that, by definition, it comprises aspects of both symbolic meaning and instrumental utility. Ethnic *identity* offers the individual a sense of belonging and contributes to group cohesion, while ethnic *organisation* serves the mundane interests of its members (or at least its leadership). It is therefore uncontroversial to state that ethnicity has an important economic dimension, even if the bulk of recent research in the field has been concerned with processes of identification and identity politics rather than economic processes.

The economic aspects of ethnicity are diverse, and range from occupational differentiation in poly-ethnic societies and entrepreneurship in ethnic networks to transnational economies connecting members of the same group living in different countries, indigenous forms of subsistence encapsulated by capitalist economies, and formal as well as informal forms of ethnic hierarchy.

Upon encountering economic systems where there is an observable differentiation along ethnic lines, two explanations are typically invoked. First, the ethnic differences may be seen as a result of *cultural differences*, in that each group possesses certain cultural resources making its members particularly well equipped to undertake particular forms of economic activity by choice, by tradition or both. Second, the differences may also be seen as a result of *structural factors*, such as systematic power differences, that channel the economic activities of different groups in certain ways, for example by denying members of particular groups access to the higher echelons of business or public administration. Although this distinction may sometimes have analytic value, it is often difficult to maintain a contrast between structural and cultural explanations, as they reinforce each other. As the examples below will show, the two kinds of explanation should be seen as complementary.

Moreover, it can be useful to distinguish between analytic perspectives emphasising *individual agency* and *systemic processes*, respectively. Again, though, while empirical studies tend to privilege one over the other in practice, these should be seen as complementary perspectives rather than irreconcilable opposites.

The three dualities of ethnicity that I have mentioned – meaning vs. utility, social structure vs. culture, individual agency vs. systemic processes – make

up the scaffolding of this chapter, or the conceptual space which frames the discussion that follows. First, though, some general points need to be made about ethnicity.

Some relevant elements of ethnicity

Ethnicity appears whenever there is an ongoing, conventionalised relationship between individuals who conceive of themselves as belonging to culturally distinctive groups with different origins (for a full review of the concept, see, for example, Banks 1996; Eriksen 2002). The social importance of ethnicity may vary from nearly nothing to nearly everything. In North America, for example, many citizens of European descent claim allegiance to ethnic identities – Italian, Swedish, Ukrainian and the like – that have little importance in their everyday life. Economically, they participate in the greater society on a par with everybody else.

It may be useful to distinguish between four degrees of ethnic incorporation. Following Handelman (1977), ethnic *categories* exist whenever people conventionally distinguish one another on the basis of imputed cultural or 'racial' characteristics. Ethnic *networks* exist whenever certain coveted resources flow between members of the ethnic category, but not outside its boundaries. Ethnic *associations* exist whenever the ethnic category is formally or informally organised and has a recognised leadership. Finally, ethnic *communities* are territorially based and thus offer their members a wide array of resources, ranging from jobs and housing to ontological security.

The cultural differences which form the basis of ethnic classification are not necessarily objective, but they are intersubjectively recognised; that is to say, people generally believe in them. These notions need not be shared both by insiders and outsiders; indeed, members of the group in question often have different ideas about their cultural specifics than outsiders. For instance, people who see themselves as true believers may well be regarded as superstitious by others. More pertinently to the issue of economics, people who see themselves as taking family responsibilities seriously may be seen as nepotists by others. Mutual *stereotypes*, simplistic and often pejorative views of others' characteristics, contribute to maintaining ethnic boundaries.

Ethnicity may be organised horizontally or vertically; the ethnic groups may be ranked or unranked. When they are relatively unranked, inter-group competition for scarce resources is likely to occur, although the degree of ethnicisation of such competition depends on the degree of ethnic incorporation. When the groups are ranked, an ethnic *stigma* is often attached to subordinate groups, typically by way of a set of stereotypes deeming their culture and practices as inferior. Ethnic stigmata can be fought (as in the Black Consciousness movement), but they can also be internalised and become part of the self-identity of the subordinate group. In the latter case, members of the

group are likely to try to escape from the stigmatisation through changing their way of life. In parts of Latin America, for example, individuals classified as *indios* (Indians) may change their language (to Spanish) and their mode of dress in order to be re-classified as *cholos* (mixed people).

Ethnic groups do not exist eternally. Whenever they continue to exist as distinguishable social groupings over a long period of time, it is either because of inescapable stigma from greater society or because they offer something deemed valuable to their members. This could be a sense of belonging and ontological security; it could be something more instrumental, such as material gain and economic opportunity.

Economic activity and ethnic identity

Long before the term 'ethnicity' became common in anthropological (and other academic) writings, anthropologists had been interested in the relationship between cultural differences and economic activities. In many of the societies that anthropologists studied, several distinct groups co-existed and forged inter-group trade relationships or structured forms of economic complementarity whereby certain groups specialised in, or monopolised, particular technologies, crops or ecological sub-systems. Thus, in the North-Western province of Pakistan (Swat valley), Frederick Barth (1956) showed how the three ethnic groups living in a particular area occupied different 'ecological niches'. The ecological perspective was commonly applied to studies of ethnic complementarity or 'symbiosis' at the time, and Barth argued that the mutual dependence could be likened to the relationship between species in an ecosystem. The dominant group, the relatively centralised Pathans, were cereal farmers whose geographical boundary coincided with the point of altitude beyond which two annual harvests became impossible. Beyond this boundary, the Kohistanis had adapted to a dual economy of less-intensive agriculture and livestock. The third group, the Gujars, were 'symbiotically' related to both Kohistanis and Pathans in their respective areas. They were livestock herders who exchanged goods and services with the dominant populations to varying degrees. A combination of ecological and political factors served to create particular configurations in different parts of the valley.

In more recent research on ethnicity, with which this chapter is mainly concerned, the ecological dimension is rarely made explicit in such a way. Instead, the main concern has consisted – following, *inter alia*, Barth's later work on ethnicity (1969a, 1969b) – in exploring the maintenance of ethnic boundaries and the flow of resources associated with them. Characteristically, in a later analysis of ethnicity in Swat, Barth (1969a) showed how ethnic boundaries could be transgressed: political competition between Baluchs and Pathans made it advantageous for Pathans to redefine themselves as Baluchs.

In other words, there was no direct link here between economic activity and ethnic membership. By way of contrast, Haaland (1969), in a contribution to the same book in which Barth's paper appeared, showed that a change in livelihood could entail a change in ethnic identity. His material from western Sudan showed that Fur people who, due to varying circumstances, switched from agriculture to livestock herding, effectively became Baggara.

The question, then, is not whether there is any relationship at all between ethnic identity and economic activity: it is quite clear that such a relationship can usually be identified. Rather, we must ask what kind of relationship can be envisaged. A few brief illustrations may indicate the range of variation in this regard.

In sub-Arctic northern Scandinavia, the relationship between Sami reindeer herders and sedentary Scandinavian farmers and fishermen has been characterised by economic complementarity and, in recent decades, competition over territorial rights (Paine 1984; Thuen 1995). At the same time, a great number of Sami are, and have been for generations, permanently settled on the coast, where their economic activities are hardly distinguishable from those of the Norwegian majority (Eidheim 1971). In spite of minimal observable cultural and economic differences, the ethnic boundary remains stable in some communities, while in others there has been a gradual shift to Norwegian ethnic identity. Recent ethnic revivalism in coastal northern Norway (Hovland 1996) takes place independently of economic processes and is largely a product of changed self-definitions and acquisition of key cultural skills such as Sami language. In other words, a change in economic activities can, but need not, be accompanied by a change in ethnic identity.

In Sierra Leone in the 1960s, as described by A. Cohen (1981), a small category of Creoles were economically and politically dominant. They distinguished themselves from the two large ethnic groups, Temne and Mende, through a distinct myth of origin (they were, or professed to be, descendants of liberated slaves), through the use of English as an everyday idiom, and in certain other ways. However, since 'Creole' was not considered a legitimate ethnic identity, they had to play down their identity in public and find informal ways of reproducing their community. Cohen argued that freemasonry was their main form of informal organisation. Through the Masonic networks, which largely coincided with the extent of Creoledom, a great deal of material and immaterial resources flowed, and this served to reproduce their elite position during a period when they did not officially exist as a group. Indeed, Cohen argues that ethnic elites *in general* mute their social identity and tend to deny that they are a bounded group, and that this is a main method for retaining privileges. Although this can hardly be stated as a general principle, it does apply to a number of cases. In Mauritius, where most of the ethnic groups are involved in highly visible identity politics (Eriksen 1998),

the Sino-Mauritians (Mauritians of Chinese descent), who are numerically weak but economically powerful, are remarkably absent from the important social and political public discourse over culture, language and pluralism. The strategy outlined by Cohen makes good sense in societies where democratic and egalitarian values are strong, but hardly elsewhere. In colonial plantation societies, where the group that was dominant politically was usually also dominant economically (but insignificant numerically), ethnic markers of that elite group would form the official norm of the entire society.

In these colonial plantation societies, moreover, there was often an almost caste-like association between ethnicity and economic activities. To take Mauritius as an example again, during colonial times the plantation workers would be of Indian origin, the workers in the sugar factory would be Creoles (of African origin), the middle managerial level would be 'coloured' (mixed African–European) or Indian (usually upper caste), and the top managerial level would be European. The association between ethnicity and livelihood remains strong even in independent Mauritius, and as late as in the 1980s, a Creole who was educated, urban and led a life locally perceived as middle class might be reclassified as a 'coloured' (light-skinned) person, almost in the same way that a Fur who went nomadic gradually became a Baggara.

Notwithstanding these variations, it is safe to say that ethnic boundaries contain flows of resources. For an individual to plead allegiance to an ethnic identification, he or she must get something in return, although it can be a matter of definition whether or not this 'something' is of an economic nature. Conversely, from a structural perspective it may be said that allocating low-prestige occupations to members of particular ethnic groups benefits the groups that are economically and politically dominant.

Cultural and occupational segregation

One kind of relationship between ethnicity and the economic life mentioned above is that of segregation. Many societies are segregated to varying degrees along ethnic lines. Among the most famous examples from classic ethnicity studies are Chicago early in the twentieth century and the Copperbelt of present-day Zambia in the middle of the twentieth century.

During the last decades of the nineteenth century, Chicago grew from nearly nothing to a major city. It was a trade hub for the immensely rich agricultural Midwest and attracted migrants from many parts of the world, including thousands of emancipated African-Americans from the southern United States, East Europeans, Italians, Irish, Scandinavians and Germans. Under the leadership of Robert Park, a group of sociologists and anthropologists studied 'the urban ecology' of the emergent cosmopolitan city, observing the dynamics between the different immigrant groups almost as they arrived in successive waves. In Park's view, residential and occupational differentiation

would follow strict ethnic lines in the first stage, where individuals would be highly dependent on their ethnic network for jobs and other resources, and would live in a segregated manner. Later, following 'acculturation' (the acquisition of local cultural categories, notably good command of English), the ethnic dimension would gradually become less important economically (Park 1952). As Hannerz (1980: 44) puts it: 'The typical "race relations cycle" would lead from isolation through competition, conflict, and accommodation to assimilation'. Deeply committed to ecological metaphors, Park and his students saw both competition and symbiosis in inter-group relationships, but also mobility (or 'transmutation', to stick to the biological metaphors) and, eventually, the disappearance of ethnicity as the main organising principle for the economy.

The major exception to this image of the 'melting pot' was the African-American population. Stereotyped as lazy and unreliable, stigmatised as intellectually inferior, blacks enjoyed a much weaker mobility than any other ethnic category. In their case, the division of labour was a more stable, apartheid-like arrangement than in the case of, for example, Italians or Irish.

In the later work of a group of anthropologists based at the Rhodes–Livingstone Institute in North Rhodesia (Zambia), the thickest boundary was also that of colour. In a series of studies dealing with urbanisation in the mining towns of the Copperbelt, Epstein (1992), Mitchell (1956) and others investigated the role of ethnic identity in the modern economy. Far from making 'tribal' identities irrelevant, wage labour and integration into the mining industry led to a re-emergence of ethnicity (labelled 're-tribalisation' at the time), whereby job allocation, leisure habits and residential arrangements were regulated by ethnic identity. However, the internal hierarchy among African miners was negligible, upward mobility was difficult and the boundary with the European management was absolute. While there was hardly any 'osmosis' across the black–white divide, the experience of urbanisation did lead to a simplification of the ethnic taxonomy among Africans, in the sense that groups from the same region who spoke similar languages were increasingly lumped together as 'Northerners', 'Westerners' and so on.

In both Chicago and the Copperbelt, culture seems to have played a minimal role in creating occupational differences along ethnic lines, quite unlike the Gujar–Pathan relationships, where each group possessed particular, ethnically-specific skills. While the Copperbelt situation resembled that of the stable colonial plantation society, the ethnic division of labour in Chicago was less stable and more open to negotiation.

A question that needs to be raised here concerns who does the classifying. The above examples refer to situations where ethnic networks and cultures have varying importance for economic activities and the division of labour,

but where do the ethnic distinctions come from? As decades of research on ethnicity have shown, ethnic identities and boundaries are social constructions that change through time and have highly variable relevance (compare Eriksen 2002). Ethnic identities are created from two directions: from the inside and from the outside. They are the product of self-definitions and of definitions from the outside, and the relationship between these dimensions is dynamic and variable. Many of the ethnic identities recognised in contemporary states are to a great extent the product of population statistics and state control, but it can be equally relevant to look at the internal reproduction of networks and boundaries. The relevant aspects are: (1) census categories and state classification; (2) popular, or 'demotic' (Baumann 1996) classification; (3) self-definitions; and (4) social networks.

The fourth element, social networks, is not necessarily recognised by the state, the social environment or even the people who participate in and draw upon them: networks may be ignored by the state, unknown to outsiders and taken for granted by insiders. Yet a look at ethnic networks is indispensable in any account of ethnicity and economy.

Culture and networks in ethnic economies

Research on immigrant minorities in contemporary European societies has occasionally focused on the relationship between culture and economics. A society is culturally segregated if its constituent groups produce and maintain meaningful symbolic universes independently of one another; for example by speaking different languages, adhering to different religions, raising their children and organising their marriages in systematically different ways and so on. By contrast, it is economically segregated if, as in the aforementioned plantation societies, the division of labour follows ethnic lines. The question is whether a society can be segregated along only one of these dimensions, or if cultural segregation necessarily entails economic segregation. The predominance of immigrant labour in the lower segments of the labour market in every Western European country can be accounted for in several ways: as a result of racism among employers; as a result of active recruitment policies from the state wishing to fill certain vacant slots in the labour market; or as a result of imperfect cultural integration on the part of the minority. In most cases, all three explanations are partly correct, but the third one needs qualifying. It is by no means self-evident what is meant by 'culture', and in both popular and academic discourse about immigrant minorities it is often used to designate aspects of immigrants' life-worlds that have scarcely any bearing on their working life: religion, diet, dress and marriage practices are often mentioned in accounts of immigrants' culture. So far, then, culture seems to be irrelevant.

If language skills are considered, however, culture clearly does play a part

in the economy seen from the actor's point of view. If, moreover, culture is taken to mean the wider universe of meaning within which people live, their *Lebenswelt* or life-world, then it can easily be shown to be highly relevant for economic careers. Economically disadvantaged Creoles in Mauritius are likely to propose two explanations for their lack of social mobility; one structural, one interpersonal. First, they might say, the system works in favour of others: being a Creole implies a society-wide stigma. Second, they might add, they have no relevant network: no managing director, government minister or business executive to call upon for reciprocity. If personal networks are included in the concept of culture, then there is a clear link between culture and the economy. In the 1970s, many Pakistani immigrants to Norway were employed by the Oslo Public Transport Council (*Oslo Sporveier*), many of them through personal networks and recommendations. Networks based on kinship or local origin can be enormously important in job allocation anywhere, and wherever there is ethnic complexity, this will be evident in the ethnic makeup of the labour market. This factor has probably been underestimated by many researchers with training in disciplines other than anthropology, for they generally have not been equipped with research methods that readily reveal informal networks.

As noted above, culture associated with ethnic groups can also be important when specialised professional skills are among the resources that flow within ethnic boundaries. Cultural values may also direct economic activities and preferences in other ways. In a study of Pakistani immigrants in the English Midlands, Dahya (1974: 113) found that 'the immigrants' scale of preferences ... differ in a significant manner from that of the native proletariat with regard to consumption patterns, aspirations, prestige symbols etc.'. He saw their poor housing standards partly as the result of an economic preference for saving and sending remittances to Pakistan, and partly as an expression of cultural values which did not accord prestige to housing of the sort that is standard in England. Seeing the difference in housing between British and Pakistani workers as a sole result of ethnic discrimination was therefore misleading.

Ethnicity and class
Although class and ethnicity are clearly two distinct forms of social differentiation, they are rarely independent of each other. In most contemporary societies with more than one ethnic group, class and ethnicity overlap in the sense that the division of labour to a greater or lesser extent follows ethnic lines. In some societies, such as the United States and South Africa (at least under apartheid), ethnicity is highly racialised, meaning that visible differences play a central part in the structuring of class. Even in Britain, Hall has argued that 'race is the modality in which class is "lived"' (1980: 340), thus claiming that class differences are largely understood as race

differences. At the level of popular representations, this is often the case. In an ethnically-ranked society, it will be difficult to form alliances between black and white underprivileged workers, for instance, given the fact that everybody knows that whites are ranked above blacks.

However, in reality the relationship is rarely one-to-one, and race-ethnicity tends to cut across class; there is, for example, a considerable black middle class and a white lumpen proletariat in the United States. As Fenton (1999) observes, there is a strong correlation between class and ethnicity in Malaysia, where Chinese are associated with business and trade, and *bumiputeras* (Malays and smaller indigenous groups) are associated with agricultural and other manual work. However, 'almost half of all Chinese in Malaysia are production workers and agricultural workers' (Fenton 1999: 115).

Ethnic segregation none the less inhibits social mobility among less-advantaged groups. The often mono-ethnic interpersonal networks used in economic careers, the varying importance placed on education within the group, the cultural policies of the state (favouring, for example, certain languages over others) and widespread stigma may all contribute to the creation of relatively fixed 'ethnoclasses' in highly differentiated class societies. Institutionalised racism in the past may also play an important part, as in the United States.

It was noted above that social mobility can, in certain contexts, lead to ethnic reclassification: a successful Creole could become a Coloured. It is also worth noting that several immigrant groups to parts of the New World, such as Portuguese in Trinidad and Irish in the United States, were recognised as 'proper whites' only after a process of upward mobility. In general, ethnic markers such as skin colour, religion and language tend to lose much of their relevance in situations of social mobility. Put differently, as the German writer Hans Magnus Enzensberger (1993) observed, nobody ever complained about the skin colour of the Sultan of Brunei.

Typically, cultural differences are invoked (often resulting in stigmatisation) in justifications of class segregation. In the United States, Lewis's (1966) phrase 'the culture of poverty' has certainly been used to this effect, though clearly not with the consent of its originator. The 'culture of poverty' thesis held that people in modern, urban settings with no or unstable employment reproduced a particular set of cultural values and a form of social organisation that militated against their upward mobility: lack of long-term strategies, a weak (matrifocal) family structure, an ethos of consumption rather than one of production and so on. Although careful studies of economic strategies among African-Americans have proven this assumption to be wrong (see, for example, Liebow 1967), such ideas are often exceptionally fertile in the popular imagination. In the more recent context of Third-World immigration to Europe, Wikan (2002) among others has suggested that aspects of

immigrant culture, such as patriarchal values and collectivist ideologies, prevent successful 'integration' and social mobility in the host society.

So far in this chapter, we have considered some of the basics of ethnicity and economy: stigma and stereotyping, group competition, structural and interpersonal factors in establishing an ethnic division of labour, ethnicity and class, the boundedness of networks and the variable importance of the cultural resources embedded in the ethnic group. We now turn to a couple of more detailed empirical examples in order to shed light on the insights developed above.

The post-plural society

Originally a concept proposed by Furnivall (1948), 'plural society' was refined and developed further by Smith (1965) in a series of studies largely dealing with the English-speaking Caribbean. The plural society was conceived of as one composed of two or more groups with distinctive cultures, usually speaking different languages and practising different religions. Intermarriage and informal interaction between groups were assumed to be of negligible importance. These diverse groups were held together politically by the coercive force of a (usually colonial) state, and would meet in the marketplace but remain apart and segregated in most other social fields. The concept of pluralism has been much criticised (Eriksen 1992; Young 1976), largely on empirical grounds: it exaggerated the fixity of boundaries between groups, often giving undue emphasis to differences and ignoring processes of inter-group communication and the gradual disappearance of boundaries in many cases.

The concept of pluralism can nevertheless be defended (for example, Grillo 1998) as a means of classifying certain societies, the Ottoman empire and the South African apartheid state are obvious examples, where there is little inter-group communication and few if any shared institutions that integrate constituent groups. The Indian Ocean island-state of Mauritius has already been mentioned a few times in this chapter; from the eighteenth century to the end of the Second World War it could credibly be described as a plural society with an ethnic division of labour, few shared institutions and no democratic participation in politics. Since 1945, and particularly since the 1970s, Mauritius has undergone rapid economic and political change, and it is better described today as a post-plural society than a plural one. Here, the contemporary Mauritian economy will be considered in relation to ethnicity, first from a systemic perspective and then from the perspective of individual actors.

The colonial Mauritian plantation economy was organised strictly along ethnic lines. Although it contained its anomalies – such as a few wealthy Indo-Muslim families and urban Tamil merchants, as well as a handful of *petits-*

blancs (poor whites) – one could make a good guess about a person's rank and economic circumstances on the basis of ethnic (and sometimes caste) identity. The legacy of the ethnically-segregated plantation economy lingers in contemporary Mauritius, although it has been strongly modified. For example, the public sector of contemporary Mauritius is dominated by Hindus (the largest and politically dominant group), the Sino-Mauritian elite has moved from small trade to transnational investments and factory management, and in the growing sectors of tourism and manufacturing recruitment of workers does not exclusively follow ethnic lines. On the factory floor, Creole girls meet both Hindu and Tamil girls as colleagues. (The ethnic categories, which may seem confusing, are locally-recognised distinctions; see Eriksen 1988.)

The economic growth and diversification of Mauritian society since independence in 1968 has been remarkable, and is often commented upon as a 'miracle'. In this context, the most striking fact is perhaps the general lack of mobility among the Creoles, who make up 25–30 per cent of the population. Since the early 1990s, Mauritians have debated *le malaise créole* as a major social issue, and it is clear that Creoles are strongly under-represented in the Mauritian elite, not least in the economy.

There are several causes for the collective failure of the Creoles to benefit from Mauritius' recent economic growth: internal, external, cultural and structural. First, Creole kinship and local organisation tend to place comparatively weak moral obligations on individuals; unlike among Hindus, marriage is entirely an individual, voluntary contract, and Creoles are not expected to help relatives or other Creoles with employment or places in institutions of higher education. Their social resources are, in a word, very limited in a situation of group competition.

Second, the Creole ethos and collective stereotype of self depicts them as individualists, in contrast to the Hindus, who have a strong ethic of kin solidarity. While it is common among non-Creole Mauritians to see Creole values as African 'survivals', it is more correct to trace them and the accompanying social organisation back to the social conditions of slavery. In the context of the present argument, it is none the less sufficient to note that there are systematic differences between Creoles and Hindus regarding values and local organisation.

Third, the systematic use of kinship and ethnic networks by the other Mauritian 'communities' for economic and political ends has placed the Creoles at a relative disadvantage. The civil service and the police are, partly due to the logic of kinship obligations, dominated by Hindus, and among working-class Creoles there is a widespread feeling that their best opportunity for social mobility lies in migration. They are a minority and lack the cultural resources necessary to profit from an employment culture of kinship obligations. Furthermore, the state is not just the largest employer in

Mauritius, but it also consists of a number of institutions that Mauritians have to relate to in order to get on with their lives, such as the state bank, the national educational board, the tax office, the postal services and the police. When any of these common institutions loses its legitimacy for a certain segment of the population, a likely outcome is social unrest, which the otherwise stable Mauritian society has experienced on a few occasions.

Seen from the perspective of the individual, the place of ethnicity in a person's economic opportunity structure is variable but rarely non-existent. To begin with, many people are still part of the original plantation economy, and there has been no de-ethnification of agricultural work. Many sons simply enter their father's profession. In the newer sectors of the economy, personal connections and networks remain crucially important in obtaining work. During fieldwork I have rarely come across a Mauritian working in industry or the hotel sector who has not obtained his or her job through an acquaintance. Informal networks tend to follow ethnic lines.

So far, the description may seem to indicate that Mauritius remains a plural society with both ranked and unranked dimensions. However, there are serious cracks in this edifice. First, as noted, the emergent industrial and tourism sectors are not organised on the basis of ethnicity, even if ethnic networks at present remain important for job allocation. Second, the urban professional class has grown rapidly – this is the world of solicitors, software programmers, schoolteachers, university lecturers and accountants – and their professional world is only diffusely connected to ethnicity. In the opportunity structure envisaged by, say, a foreign-educated lawyer, ethnic boundaries seem a hindrance rather than an asset, and he or she would be likely to find employment and clients independently of ethnic networks. As emphasised above, it is only when ethnic membership has something to offer that it matters to the individual. Increasingly, important sectors of the Mauritian economy could become post-plural in the sense that ethnicity ceases to matter in economic careers, even if it may remain important in other social fields. In sum, the professional skills and networks that create the economic opportunity structure for these groups are increasingly divorced from ethnic cultures or communities.

Indigenous struggles

A different kind of economic competition can be observed in relationships between indigenous peoples and politically dominant groups. Often focused on rights to land and water, indigenous struggles have, following a global trend in politics, increasingly added cultural survival and group identity to the agenda.

There are about 70,000 Sami in Northern Scandinavia (including the Kola peninsula), and about 40,000 of them live in Norway. The traditional

Sami–Norwegian relationship of complementarity and relative economic autonomy has been greatly altered by processes of modernisation throughout the twentieth century. Traditional Sami skills such as reindeer husbandry and handicrafts have become integrated into the capitalist economy. Sami in Norway enjoy certain constitutional rights aimed at enabling them to survive as a culturally distinctive group; notably, a Sami parliament (with limited power) was inaugurated in 1989, Sami is an official language in several municipal areas in Finnmark county and, more relevant to the present context, only Sami are allowed to engage in reindeer husbandry in the Finnmark hinterland (*Finnmarksvidda*).

Only a small percentage of the Sami are actually involved in the reindeer economy. However, reindeer-based semi-nomadism is symbolically of very great importance to Sami self-identity. For example, any product made from reindeer fur is associated with the Sami. The most widely publicised political controversy involving the Sami after the Second World War was the conflict between the Norwegian state wishing to build a hydroelectric dam on the Alta river and Sami reindeer herders claiming that the dam would destroy their annual migration route to the sea. Reaching a climax with mass demonstrations and hunger strikes in front of parliament in Oslo in 1979–81, the conflict eventually ended with victory for the Norwegian state, but the long-term result was an increased sensitivity to Sami affairs and a greater attention to the peculiar predicaments facing this ethnic minority.

The current situation of the Norwegian Sami can be described like this: there are ongoing local struggles with ethnic Norwegians over land and water rights, where the latter tend to feel that they are just as 'indigenous' as the Sami when it comes to salmon and cloudberry rights. There are, moreover, rifts within the Sami community concerning who is a Sami and what it should entail to be a Sami. Language is a key issue in both discourses; outside the heartland of central Finnmark, relatively few Sami are fluent in their ancestral language.

Since reindeer herding is today a capitalist kind of activity with considerable local economic importance, the situation can hardly be framed as a conflict between two modes of production, unlike what might be the case with other livestock pastoralists, such as the East African Maasai. It could be said, perhaps, that an elite among the Sami has monopolised the skills needed for reindeer herding, but that is not the point here. What is important to note is that reindeer herding remains significant as a symbolic marker of Saminess, even if it has to some extent become part of the mainstream economy and hence subject to the functioning of the market and so on, and even if only a small minority of Sami actually engage in this economic activity. Most Sami have 'ordinary jobs' as fishermen, shopkeepers, public service employees and the like. In this, contemporary Sami reindeer herding is more important as a

marker of ethnic identity than as an ethnically-specific kind of economic activity. As Harrison (1999; see also A.P. Cohen 1985) has argued in a different context, ethnic identity as such – pride in oneself, the sense of ownership to certain traditions, crafts, skills, worldviews – can be a non-negotiable asset, an inalienable possession.

Transnational entrepreneurship

Ethnic entrepreneurship has been extensively studied in many parts of the world. Typically, attention has been focused on small, successful groups such as the Chinese in Southeast Asia, Lebanese business communities in West Africa and the Caribbean, or Indians in East Africa. A famous study from Ibadan (A. Cohen 1969) shows how Hausa from northern Nigeria effectively monopolised the trade in cattle in that Yoruba city, using kinship networks and membership in Muslim brotherhoods to keep the trade organisation efficient and closed to outsiders. Like other successful ethnic networks, they were able to use their ethnic and religious identity as social capital.

However, entrepreneurship, seen as the creation and exploitation of new economic niches, can also be studied with respect to almost any migrant group that is denied equal participation in a national economy. For example, Indians in Fiji, who arrived as indentured workers in the latter half of the nineteenth century, were denied the right to own land and were thus forced into a very different kind of economic life from their counterparts in Trinidad and Mauritius. They became urbanised, and many went into various forms of trade.

In the contemporary context, entrepreneurship among immigrants to Western Europe warrants particular attention. This is often simply a matter of using ethnic networks and, perhaps, cultural skills to make a living in an alien country. Tamils in Western Europe, for example, draw on caste and village networks to find jobs, and like many migrants they have a transnational economy where remittances to Sri Lanka are a main concern (Fuglerud 1999). This implies that even in societies where ethnicity is not a formal criterion for economic differentiation, the population may be occupationally differentiated along ethnic lines.

National immigration laws, as well as international agreements such as the Schengen treaty (facilitating the movement of people within the European Union while limiting the influx of people from outside), encourage new strategies of entrepreneurship for migrant groups. The informal economy, where illegal immigrants form the backbone of the labour force, is probably very considerable in many rich countries (see Harris 2002 for some estimates).

A study of Senegalese Wolof in Emilia Romagna (northern Italy) by Riccio (1999) demonstrates several important features of transnational entrepreneurship. Wolof are traditionally associated with trade in West Africa,

and they have successfully adapted their skills to function transnationally, spanning Senegalese and European markets in their business flows. Riccio argues that, in a manner similar to the Hausa of Ibadan, Wolof in Italy are morally and socially bound by their allegiance to Muslim brotherhoods in Senegal (the Mouride), but he also points out that without a strong organisation of Wolof wholesalers based in Italy offering not only goods but also training of itinerant salesmen, the individual Wolof peddler would likely fail.

The Wolof trade system studied by Riccio functions in both directions. Traders live in Italy part of the year and in Senegal part of the year, and the goods offered for sale in the Senegalese markets range from hi-fi equipment and other electronic goods to the trader's own second-hand clothes. Although Riccio takes pains to describe the variations in the circumstances of migration, a clear pattern emerges from his material, which shows that Wolof migrants to Italy are positioned in Italian society in a unique way, due to particular features of their culture and local organisation in Senegal. Somewhat like Gujerati traders in London (Tambs-Lyche 1980), they draw on pre-existing social and cultural resources in developing their economic niche under new circumstances.

Transnational microeconomies have become very widespread during the last decades, so common that a study of a town in the Dominican Republic is not complete until one has explored the lives of townspeople living temporarily or permanently in New York City (Christian Krohn-Hansen personal communication), and migration must increasingly be envisaged as a transnational venture rather than as a one-way process resulting in segregation, assimilation or integration in the receiving society. The economics of transnationalism can be observed in Congolese *sapeurs* (Friedman 1990) flaunting their wealth in Brazzaville following a frugal period of hard work in Paris, in the informal banking system whereby Somali refugees send remittances to relatives, in the flow of goods into and out of immigrant-owned shops in any European city, and most certainly in thousands of local communities, from Kerala to Jamaica, which benefit from the efforts of locals working overseas. Seen from a global perspective, this kind of transnational economics can easily be seen as a vertical ethnic division of labour whereby the exploitative systems of colonialism are continued. However, seen from the perspective of the local community it may equally well be seen as a much-needed source of wealth, and seen from the perspective of the individual it entails a new set of risks and opportunities.

Conclusion

Ethnic distinctions are, at the conceptual level, categorical contrasts that help people to simplify the social world by dividing its members into bounded,

mutually-exclusive groups. They thereby offer shorthand descriptions of other people's 'character' and 'cultural traits'. This very conspicuous and politicised aspect of ethnicity has been granted enormous attention by scholars and others, many motivated by social reform and a concern for human rights, and it has often been shown that the map does not fit the territory. The imputed cultural differences are at best stereotyped, at worst fictitious; the boundaries are fuzzy and the world is full of cultural hybrids and ethnic anomalies. However, this chapter has shown that, notwithstanding the obvious merits of such critiques, ethnicity remains a powerful organising principle in social life: in addition to ordering the world at a cognitive level, ethnic boundaries contain networks and moral communities based on trust and obligations, cultural resources and 'social insurance' systems. At the level of the individual, membership in an ethnic group offers a certain opportunity structure; at the level of greater society, there are more often than not clear correlations between occupation, mobility and social rank on the one hand and ethnic distinctions on the other.

One of the most complex, and controversial, aspects of ethnicity concerns its relationship to culture. I have noted time and again in this chapter that it is necessary to take the cultural dimension of ethnic identity seriously. Of course its significance varies, but there are often systematic differences between the groups that make up a society concerning language, forms of socialisation and, not least, microeconomic history. If cultural resources are granted importance in studies of ethnic entrepreneurship and social mobility, then arguments about 'cultures of poverty', frequently dismissed as victim-blaming, also need to be taken seriously: if cultural resources can help an ethnic group economically, then it goes without saying that cultural resources can equally well limit the performance of its members. Whether they do or not is a matter of empirical enquiry, and one of the enduring insights from studies of ethnic complexity is that the practical implications of a particular cultural universe vary from context to context. People from the same castes and from the same parts of India, who migrated at the same time under the same circumstances, eventually became small planters in Trinidad, politicians in Mauritius and entrepreneurs in Fiji.

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