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Household Exchange Networks in Post-Socialist Slovakia

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This article describes the exchange networks among extended families in Slovakia, the rights and duties of those involved in them, and their importance to these families and the Slovak economy. Special emphasis is placed on delimiting the conditions under which these networks arise and how they function. These exchange networks are best described as what institutional economist Oliver Williamson calls a "hybrid" organization, having some of the characteristics of both markets and firms. Examination of these networks, I believe, expands our understanding of production and exchange in contemporary rural societies in newly emerging market systems.

Key words: family and household exchange networks, economic anthropology, hybrid organization, kitchen gardens, post-socialist transition, migrant labor, peasants, villagers, Eastern Europe, Central Europe, Slovak Republic

Introduction

Under socialism and during the current period of post-socialist transition, Slovak family members were and are highly dependent on extended family trading networks. In Slovakia, families obtain a large percentage of consumption goods—especially food—by exchanges with other family members. These networks are especially important in the rural regions of the country, but many exchanges involve family members living in urban areas who provide goods from the cities in exchange for goods from the farming regions.

In terms of anthropological theory, the strong dependence on these networks is anomalous. There is consensus among anthropologists that extended kin relationships play a key role in tribal and peasant societies. Ostensibly, such networks become far less important in modern industrial societies where people are dependent on wage labor and obtain most goods and services in markets. Under certain conditions,

family exchange networks can be very important in industrial societies. These conditions exist currently in Slovakia.

Although there is a huge anthropological literature on kinship, households, markets, and exchange systems, the family exchange networks in Slovakia fall into no easily definable category. These Slovak exchange networks have some of the characteristics of the exchanges described by Sahlins (1972). In other respects, they are similar to what institutional economist Oliver Williamson calls a "hybrid" organization, having some of the characteristics of both markets and firms. Examination of these networks, I believe, will expand our understanding of the adaptive strategies of families in societies where market systems are emerging.

The data on Slovakian extended family exchange networks was gathered in fieldwork done in 1993, 2005, and 2006. Much of the information was collected in one village, but additional information was obtained by participant observation in a variety of small towns and in Kosice, the largest city in eastern Slovakia. Slovakia has a number of ethnic groups including Roma, Hungarians, Ruthenians, and Germans. However, this study concerns only the Slovak population, the majority ethnic group.

The Slovakian Extended Family Exchange Network

Each individual in a Slovak family network usually specializes in providing one or more goods to which they have special access or can produce efficiently. These goods are exchanged with other family members. Many of these exchanges are between people in the same village, but some involve family members living in cities. People obtain a

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great deal of food through such exchanges, but they receive other goods as well. There is no specific timeline when these reciprocal exchanges must be completed. A gift of nails might result in a package of sausage almost immediately and canned goods and fruit weeks or months later. Despite the fact that all involved benefit from the exchange, they are not market exchanges. No explicit prices are attached to commodities or services exchanged, and social ties and family obligations override purely economic considerations. All specialize in what they do best, whether that be absorbing items from the workplace or cultivating carrots, with all ending up better off in the end.

Many of the items traded are foods which are produced in family gardens and plots or collected in the woods. Most families have gardens surrounding their houses that are less than a hectare in size, but they usually also farm several non-contiguous small plots. Many of these plots have been cultivated for decades, if not centuries. A few families raise sheep and the milk is turned into the *bryndza* cheese for which Slovakia is famous. Still other families have cows or pigs. People know a good deal about the wild plants in the region and gather many of them to use as food and teas. A walk in the woods always results in people coming home with mushrooms, herbs, and berries which provide enormous supplements to their diets. All of these goods are gifted in large amounts in family exchange networks.

Many important characteristics of these family exchange networks can be observed by examining two cases: one rural and the other urban.

Case One: One extended family consists of a mother and father, ages 60 and 65 respectively, who live in a small eastern Slovakian village. Their two adult sons live in nearby cities. Both sons are married with two children each. One of the sons works at a foreign-owned company in Kosice, while the other lives most of the time in Germany working as a migrant laborer. Both sons' wives work in city department stores. In the village, the elderly parents grow copious quantities of potatoes, carrots, kohlrabi, and parsnips. They also gather mushrooms in the woods and dry them for the winter. They have twelve fruit trees from which they produce hundreds of kilos of fruit that the mother preserves in the form of jams, jellies, syrups, and compote. These same parents hike up the mountainsides to gather scores of kilos of wild low bush blueberries and cranberries, which also are preserved. On average, the mother conserves over 400 jars of vegetable and fruit products. This family does not have a cow or a pig but their very close neighbor-cousins living in the two adjacent houses have a cow and two pigs, respectively. These neighbor-cousins provide the core parents with enough milk to drink and to turn into cheese and butter. Pigs are slaughtered once a year and all the neighbor-cousin households participate in the pig slaughtering and produce some 400 kilos of smoked meat products and *klobasy* (sausage) that will be mutually shared at the discretion of the pig owner's household. The *klobasy*, milk products, and the garden produce will make it into the households of a network of family members that span at least three different cities, four towns, and three villages.

Labor is also exchanged by households in the network. Family members help to harvest hay, shovel out latrines to compost the fruit trees, and help with general home maintenance. The sons of these family members who learned plumbing and electrical wiring in school will be called on for their skills. Daughters will help with food processing. The grandmother will supply the younger extended family members with childcare at a moment's notice. Sometimes for several continuous weeks they watch grandchildren while the son who works in Western Europe sends back hundreds, if not thousands, of Euros to all members of this extended family. He also supplies the family with numerous western European goods, especially at Christmas and Easter. None of these goods and labor are sold or exchanged for money, but everyone is aware of the monetary value of these goods and most of the services.

Case Two: An urban family in Kosice, the largest city in eastern Slovakia, stores most of its food in a pantry off the entry hall. An analysis of the contents of this pantry provides a good deal of insight into the nature and extent of this family's exchange networks. The eight foot long pantry is a small narrow room not far from the kitchen. It contains a host of cookies, cans of oil, and packages of pasta from urban supermarkets, but there are also large stocks of potatoes, vegetables, dried teas, herbs, and mushrooms provided by relatives in the owner's ancestral village. There are two shelves of homemade preserves coming from the same village. The owner of this pantry has dried sausage and fresh chestnuts sitting on a shelf, provided by her mother who had recently made a trip to Miskolc, Hungary. There are also large sacks of flour and sugar which were bought by her sister who lives in a neighboring city where prices of flour and sugar are lower. Resting on a shelf is a new portion of fresh rye bread supplied by a neighbor who works next door to the bread factory and, thus, has easy access to bread when it is the freshest.

What is in a Slovak pantry is not purchased in a one stop shopping trip to a local grocery store. Rather, the contents of pantries reflect the intricate, complex web of family and extra-household relations.

Rules of the Game

Family exchange networks are guided by several informal rules as described below:

1. The core of any family exchange network is made up of family members obligated to help supply each other with goods and services. In virtually all families, parents exchange with children and siblings share with each other. However, one's aunts, uncles, grandparents, and cousins are also routinely involved in such exchange networks as are non-kin. Fictive kin, neighbors, and people with whom one has worked for years can develop very close ties and exchange a good deal with each other. Usually, the non-kin who are included are close neighbors. This is not always the case as there are plenty of examples whereby neighbors living next to one another for decades do not get along and trade nothing but glares and hostile words.

In most Slovak villages, residents are considered immediate family only out to the level of first or perhaps second cousins, so neighbors who are more distantly related are considered more as neighbors or fictive kin.

2. People exchange goods with other family members who have special access to or have a comparative advantage in securing a specific product. If an individual works at a place with better access to some given product, whether it is nails, paper, or bread, this individual should serve as the supplier of this readily available product for the entire household network. A close corollary is that if any member of a network discovers a needed good at an especially low price, he or she should purchase large amounts of that good immediately and give that good to others in the network. Neglecting to think about the larger family network can lead to informal negative sanctions (e.g., questioning, mild harassment). People in the network do not feel badly about accepting such goods. After all, it is the duty of family members to provide them.
3. In many cases, people simply accept gifts from relatives who have access to a good and give back what they have in abundance. However, family networks also can be actively used to get goods a person needs. Individuals have little compunction about stating what they need, and others in the exchange network feel an obligation to help supply that good if at all possible. The closer the kinship ties, the stronger the obligation to help a person who has expressed a "need" for a certain good or service. If, for example, envelopes are not available in stores or markets (as I experienced in the capital, Bratislava, in 1993), how does one acquire envelopes? This problem is routinely solved by finding a friend or relative who has a link to the envelope producing firm and has access to them. For example, if my mother works at the envelope factory in any capacity at all, then I have a much higher chance of acquiring envelopes than if my third cousin once removed works at the envelope factory. My mother is obligated by social norms to get me the envelopes if it is at all possible. My third cousin once removed is far less obligated.
4. Almost any good can be traded within the family network—ranging from manufactured goods to crafts to food grown in the garden. Some goods are more highly valued and, thus, more likely to be traded than others. One of these is food grown in the garden and put up in "cans," which is believed to have more nutrition than factory processed foods. Women often express their disdain for store-bought canned goods and view anything made in a factory with skepticism.
5. Any good received from someone in the family network can be traded and re-traded again and again. Gifts are not necessarily meant to stay with the original recipient. Giving a bar of soap to someone doesn't necessarily mean they will ever wash with it. The recipient may store it and give it to someone else in the family for any number of reasons. It could be given as a birthday present, a form of thanks, or perhaps because a different individual with whom one trades simply indicated that they might like to have, or has a real need for, a bar of soap. Thus, goods can be traded multiple times and may finally be consumed by a person far removed from the person who produced it.
6. Usually, one does not pay in the form of money for a good received from another member of a family exchange network. Rather, one reciprocates with another good or service at a later date. Within the extended family network, money is not usually seen as a moral means of exchange. Offers to pay in cash are considered almost an insult, and such offers would almost always be refused. However,

parents may reimburse their children from time to time or pay outright for a luxury item for their children.

7. Parents are expected to share what they have with children. Such behavior is positively condoned and not seen as "spoiling" offspring or "creating dependent, burdensome children;" rather, it is the way that any good parent should behave. One elderly lady expressed this sentiment by saying, "What needs have I now? I am old. I have everything I really need. My children are young and have a lot of energy. They need to see the world. That is why I give them all I can." She had just financed a trip to Greece for her adult children. (However, children, even adult children, usually do not pay their parents for goods or services with money unless they live abroad and earn relatively enormous amounts of money.) Parents might also give their children money if the adult child is unemployed and in need of additional food or health care services. Parents can be summarized as continually contributing financially to their children's income. This "informal pay" is almost a systematic form of paycheck. If a child is financially secure, parents would more likely give to their more financially needy offspring, but they would still contribute as much as they could to the financially secure adult child.
8. Anyone who has had a job at high wages in Western Europe will be expected to give cash or gifts from the "West" to as many members of the household network as possible. Likewise, people returning from trips are expected to give gifts to other family members. The same is true of people who have migrated to other countries and are returning for a short visit. Failure to give such gifts can bring negative sanctions. One woman recounted how an American cousin, who had visited her once in her childhood, failed to bring any gifts with him. This extended family cousin did not offer him anything—even "a single piece of gum to the children." This man was deemed "*skupy*" or stingy.
9. Family members are expected to contribute labor to others in the network in time of need. This labor is mostly gender coded. Men dig ditches, chop wood, and deal with large manual labor projects. Some men also partake in woodworking, blacksmithing, and general carpentry. Women work in the garden—weeding, planting, harvesting; they also cook and process foodstuffs. Some women also knit, sew, spin, weave, pluck geese for down, and make down comforters. Women, especially those who are elderly or retired, also watch grandchildren, often on a full-time basis.

Exchange Networks and Slovak Rural Culture

These family exchange networks are embedded in Slovak rural culture and the expectations of those involved in them are strongly influenced by societal norms and values. For Slovaks, like many peoples in the world, the most important people in one's life consist of one's extended family members. These are the people one can count on in all situations. Loyalty to family is expected above all else. The burdens of individuals should be shouldered by the larger family. Parents are expected to help their children both emotionally and financially until death. It is expected that grown unmarried sons would live at home and be served a hot breakfast by their mothers every morning. It is normal for a daughter to expect her mother or mother-in-law to take on the child care responsibilities of their grandchildren at a moment's

notice. Slovak women can sympathize with the Russian women described by Legler (2005:15) who said, "A good Russian mother would give up everything for her child...not like you Americans."

Children, likewise, are obligated to respect, honor, and dutifully obey. They also must provide old age support for a parent until death. This expectation for old age insurance extends beyond parents and could include any older aunt or uncle who may not have their own offspring.

In the United States, independence is a cultural ideal. A person who achieves and pays for his or her own college education is considered admirable. Not so in Slovakia. A child who completed a college degree with no help would be deemed untrustworthy, selfish, and odd. From a North American perspective, the strong ties that exist between Slovak parents and offspring would be considered unhealthy. However, the duties and obligations inherent in the parent/child relationship are at the core of the family exchange system.

The Slovak family exchange system is also rooted in the rural Slovak ethos. In rural Slovakia, the cultural ideal is a man who is defined as "*chlap*"—a physically and socially strong, morally astute man who recognizes when help is needed and volunteers that help without being asked. Such men are highly respected by others and can be counted on to go beyond the call of duty in times of need. They are highly esteemed in Slovak rural culture. The Slovak folk hero, Janosik, is but one example—a Robinhood-like *chlap* who helped many in need and had a passion for doing the right thing, even if it meant stealing from the rich to feed the poor (Votruba 2006:43). By way of contrast, demonstrating a lack of industriousness and blatant laziness is negatively sanctioned.

Sebecky (selfishness) and *egoisticky* (self-centered behavior) is highly frowned upon and is negatively sanctioned. A person is expected to work for the benefit of a family group. A person who works to benefit solely him- or herself and ignores the needs of other family members is considered immoral. Such people can be ostracized and/or publicly questioned and ridiculed. Earning money is good if it is spent for the benefit of a family or the larger community. However, spending money for individualistic conspicuous consumption is frowned upon. Even having too much money is suspect. Many Slovaks do not admit how much money they have saved in the bank or "stuffed in a mattress for a rainy day," and very few are willing to talk about the amounts of money they receive in the form of remittances from Western Europe.

Thus, all family members are expected to provide for others a host of goods and services depending on access, talent, skills, employment, geographic barriers, and the like. Not all follow such norms, and some do flee from their obligations from one another. However, the vast majority of the population does uphold their responsibilities to family members without question or hesitation.

Slovakian extended families are bilateral. When a woman and man are wed, both sides of the family play equally important roles to the newly wedded couple and their offspring. If one side of the family is favored by the couple, it is strictly

due to the personalities or personal endowments of those involved. Slovakian societal norms play no favorites to the bride's side or the groom's side as a matter of course. Both sides of the family are expected to contribute equally for weddings; the bride's family is not solely responsible for the wedding costs as is traditional in countries such as the United States. It may be true as well, that some sons have a greater tendency to perform more tasks alongside their fathers than their in-laws, and daughters likewise with their own mothers rather than their mother-in-laws. However, in general, the obligations are strong both intergenerationally and between affines and consanguines. Households are neolocal by desire, but newly wedded couples very often end up residing with one set of parents, either the groom's or the bride's, as one would expect in bilateral kinship systems.

All of the various cultural features described above are reflected in the exchange networks.

Features of the Exchange System

Exchanges in family networks are motivated by a curious mixture of altruism and self-interest. People are expected to put the needs of family ahead of self.¹ They are obligated to help each other, and they are expected to generously share what they have in abundance. Ideally, gifts are not given with gain or profit in mind. In reality, much of this family exchange is carefully calculated even if the expectations of being repaid are rarely verbalized. What may be seen to the untrained eye to be simple acts of generosity is actually part of an intricate weaving of social interaction. Individuals are very strategic with their gifts. The expectation of reciprocity is not viewed as immoral or calculated. It is considered highly practical and seen as the only reasonable and moral way to act.

Extended family networks can be enormous and cross thousands of miles. Family members working in Western Europe and those who emigrated are expected to give gifts to family members. Even children of emigrants, who have rarely visited Slovakia, have been drawn into family exchange networks. One elderly woman promised a pair of Levis jeans to her great-nephew. She was quite elderly, diabetic, blind, and had very little to offer the nephew who took her in to care for her until death. What she did have was a longstanding (sixty year) correspondence with her elder brother's offspring in Cleveland, Ohio. She never gave the nephew a penny for supporting her in her old age, but she did supply his family with clothes that she asked the American relatives to give her. On one occasion, her seventy-year-old niece in Cleveland, Ohio was shocked when the jeans she sent to the closest specifications as possible were returned from Slovakia for a different pair. The first pair she sent over did not fit. While the American-born niece viewed this as demanding and lacking in gratitude, she obliged and re-sent a new pair of Levis jeans with the new specifications.

Not all members of the family are equally involved in exchange networks. Some may find themselves outside a good deal of the exchange interaction either due to choice

or to geographic barriers. This would not be viewed as an optimal relationship for anyone involved. Some adults in good financial standing choose to be relatively autonomous. Professional couples without children (and consequently in no need of childcare from others) are often in this category. Such people are likely to be sanctioned. They may even be described as “rich” or, worse, “selfish”—highly unattractive, even immoral, markers.

Other people are not included in the exchange network because they live too far to visit family members frequently—say every month rather than every week. In such instances, the family involved might make amends by bringing a good deal of goods when they do come for infrequent visits. However, even though these people are marginal to the exchange networks of their families, they are more involved than households in Western Europe or the United States.

A couple from Slovakia that had emigrated in the 1970s did not see their relatives again until after 1989. When they finally returned “home” they found themselves plagued with requests from Slovakian relatives. They decided to avoid returning to the village on a regular basis because they viewed the demands as exacting too great a toll. They had been socialized in America by that point and saw no point in continuing the exchange network. They could not visit without becoming involved—even on a yearly visit. Their response was to stop visiting and giving “presents.” They either had to cut all ties or become the objects of much ridicule for their “selfish” behavior.

These family exchange networks are not closed. Each individual has a slightly different set of people with whom he or she exchanges. This means that goods produced in one location can find their way halfway across the country after a series of exchanges has taken place. It can also mean that someone in need of a certain item can get it indirectly from someone whom they do not know at all.

In many cases, network ties are hidden from those who benefit from them for honorable reasons. For example, my husband was asked to be a pallbearer in a village funeral. He thought he would not be able to participate since he did not own a proper dark suit. When a neighbor heard about our problem, she ran off and returned with a perfect fitting suit. The lady would not tell us from whom she borrowed the suit. Later, I realized that by keeping it a secret, it was a kind of double favor: not only did she lend us a suit that we needed, she also didn’t allow us to become “indebted” to her friends. She would “pay back” the debt at some other time. It would be her debt in her own social network—not ours. Our debt was to enter into this network and become active trading members with her.

Exchanges are not just an onerous duty. People may want to give and may be insulted if the gift is refused. This can put intended recipients of gifts in a bind. For example, a mother-in-law became incensed when her daughter-in-law and son moved out of her house to move in with the daughter-in-law’s parents. The daughter-in-law simply wanted to move in with her own mother to care for her new baby rather than live with

her in-laws. This was seen as insulting to the in-laws and as rejecting a gift from the in-laws. Another set of parents were insulted when they offered to build an apartment on top of their own house for their son and daughter-in-law, but the newly-wedded couple decided to find their own home and live in a separate residence around the block. This was difficult for the parent-in-laws to accept, despite the fact that the newly-wedded couple was moving just a half mile away.

What happens to people who receive gifts but do not reciprocate? If people contribute nothing, they are dropped from the network after a period of years. However, some people can contribute far less than they get and still maintain network membership, but there are few cases of this. Some alcoholics are a burden to their families. Some of these people have a hard time holding a job, and they are a constant source of embarrassment and a drain on resources. There can be a lot of gossip about them, but they are tolerated to a surprising degree. Strangely enough, there are very few free riders.

Individuals are permitted to take more from the exchange network than they give back if they are very young, ill, old, or disabled. Slovak children are taught from a very young age to provide for their elders. In addition, under the socialist system, the elderly, the disabled, and the mentally ill receive a stable form of cash in the form of pension funds, which take much of the sting out of caring for them. The elderly also grow much of the food they eat, and they will usually share what they have. When they do not have enough, the required goods and services are supplied by extended kin whenever possible. In short, the idea of a free rider hardly exists. In my data, there is no example whereby someone was thought to be “taking advantage of the family exchange system” even where large imbalances between network members were present.

Learning the Exchange System

Early in my fieldwork, I was introduced to the principles of the family exchange, although I did not see it in that light at the time. I spent a good deal of time teaching and practicing English with young people in the village. Sometimes these times were pre-arranged as if they were more formal lessons rather than completely informal conversations. In one such case, one of the parents kept sending me fruit—far more fruit than I could ever eat. The fruit, of course, was not given to eat. The parents were providing me with fruit to trade in exchange for my “work”—English lessons. Since I had insisted that no monetary payment was necessary for the lessons, I was “paid” with fruit instead. Later I realized that the parents knew this fruit was a kind of multi-purpose money that I could use to trade to anyone in exchange for a kind of “credit” to be used in the future.

History of Family Networks

It is difficult to estimate how long extended family networks have been in existence. Certainly they were fully developed in the socialist period (Minnich 1991; Torsello 2005). They were also in existence in the early decades of the

20th century if not long before (Danglova 2004). There are a few older people who can still recall the period before World War II, and they indicate that the system was in existence at that time. They point out that Slovaks helped kin emigrate to the United States in large numbers.

It is very likely that the socialist regime intensified the importance of the family exchange system. As Rose and Tikhomirov (1993) have pointed out, individuals living in states with centralized economies experienced huge fluctuations in the availability of most goods. The Slovaks responded by producing large amounts of goods themselves—especially food—and used networks ties to trade what they had for what they needed (Torsello 2005). In a “shortage economy” as Rose and Tikhomirov call it, one often has to search hard to find stores and markets with the goods one wants, and it can be very difficult to dispose of the goods one has produced. Selling at a profit can be doubly difficult in a society where “profits” are frowned upon. The family exchange network is an institution that helps individuals and families acquire goods they need in exchange for goods and services of which they have abundance. From this perspective, these family networks are an institution to circumvent problems in the centralized, state run economic system.

In addition to Rose, other anthropologists have also argued that poverty and insecurity have led to increased dependence on networks and mutual aid (e.g., Stack 1974). However, this is not a universal reaction. West (2002) argues that in post-socialist Hungary, insecurity and fear led to atomization of urban families and less dependence on people outside the nuclear family. Zavisca (2003) discusses the importance of the dacha in Russia as a symbol of resistance to capitalism.

If the family exchange network was strengthened by the shortage economy of the socialist era, one might have thought that the end of socialism would have seen a decline in the importance of family exchange networks or, perhaps, even the demise of the system. Nothing of the kind has in fact occurred in Slovakia.

The Slovaks are fond of saying that a “volcano” of changes erupted between 1989 and 2005. The Velvet Revolution in 1989 ended socialism. The Slovak Republic gained independence from the Federal Republic of Czechoslovakia and the borders of the Slovak Republic were opened, resulting in increased trade with the West and millions of tourists coming to Slovakia. Within Slovakia, land was privatized, the health care system and pension system were cut back, natural resources were sold to private companies, and state-managed collective farms and businesses began to be dismantled. At the same time, entrepreneurial activity was buttressed by the establishment of relatively free markets and by the passage of laws designed to encourage business activity. Perhaps, most important though, Slovakia has seen thousands of its youth spread out over the European and even American continents to work and send millions of crowns in the form of remittances back to rural and urban sending communities.

These changes at the national level certainly have changed the lives of Slovak villagers. Wages have increased, and stores stock imported Western European foods. Food stores have introduced freezers in even the smallest of family run supermarkets and individuals have learned to cook with frozen foods and vegetables.

Persistence of the Extended Family Exchange Network

Despite all of these changes, the family exchange system and the food production system that is so central to it have survived intact. In 1993, when I conducted fieldwork in the village of Kojsov, families in the village produced huge amounts of food, which they exchanged with other family members. In 2005, I conducted 20 follow-up surveys on household production in the previous year. These surveys demonstrated only a slight decline in household production between 1993 and 2005.

Data on production of vegetables, fruits, and animal husbandry demonstrate slight declines in production. In 1993, families in my sample produced an average of 884 pounds of vegetables (mainly potatoes), and in 2005, 770 pounds. In 1993, these families were producing 147 pounds of fruit on average and 136 pounds in 2005. There were increases in output of some kinds of fruit in 2005 compared with 1993. Animal husbandry did show a sharp decline, with families in 1993 having an average of 19 animals but less than five in 2005.

These figures on average amounts of produce obscure the specialization that is occurring. Individual households specialize in what they do best given a host of constraints such as quality of soil, grazing opportunity, access to extended family plots, irrigation issues, and the like. For example, one household had two cows in 2005, but they produce enormous quantities of milk (560 liters a month). Only one family grows beets, but they produced 700 kilos of beets. This family produces no other vegetables except a small stable crop of potatoes. Those with pigs have no rabbits; those with rabbits have no hens. No family tries to produce all they need. Rather, they gain the benefits of specialization and get other goods by maintaining trading relationships with others in the larger kin/social network.

Even in post-socialist Slovakia, there is still a shortage economy. After 2000, there are more goods in stores, but there still are occasional gluts and shortages of many goods. Some goods can only be obtained from those who have had a chance to buy them in Western Europe. Moreover, people are still very dependent on household gardens for a large percentage of what they consume. Household exchange is alive and well.

The end of socialism may have increased the dependence of Slovaks on household exchange networks. When socialism ended, insecurity increased. There have been decreases in services, benefits, and payments from the government. No longer are the unemployed allowed to work short-term harvesting potatoes in the fields of collective farms. Older people constantly complain about the difficulties making ends meet in pension payments and health care benefits under the

new system of government. Unemployment has increased along with crime and lawlessness. The same has occurred in Hungary (West 2002). In short, there is reason to think that people in rural Slovakia, especially older people, may be more dependent on family exchange networks now than they were in the past. Many receive increased income and exchanges of goods from family members.

The increase in wage labor may also have increased the dependence of many people on family exchange networks. Young people, who have long gone to cities to work, contributed manufactured goods and cash to their kin network. However, those who now work in Western Europe and North America are contributing far larger amounts of money to the families they have left behind. A very high percentage of Slovak households receive such remittances, and the percentage of income rural families get from relatives who are working abroad has increased. In my 2005 survey, 10 out of 20 households had received money in the last three years from one or more family members working abroad. I suspect that the amounts of cash income from such remittances are quite substantial, but I could obtain little information on this subject.²

The family exchange system, I argue, is a response to insecurity and uncertainty. In the socialist era, the family exchange network was a means to cope with the uncertainty and risks of a shortage economy. In the post-socialist era, it appears to be primarily a substitute for a failing social services sector, as well as a means of alleviating the shortage of some foodstuffs and of higher-priced commodities, such as tools, books, clothing, and electronics. In the insecure post-socialist world, with more crime and unemployment, the family exchange system may be more essential than it was under socialism. The institution of the family exchange network is alive and well in rural Slovakia. I predict it will remain important for some time to come.

Theoretical Issues and Problems

How widespread are these family networks? It is hard to say. They are certainly ubiquitous in eastern Slovakia. I know from participant observation in other parts of Slovakia (e.g., Bratislava, Galanta, Gelnica, Banska Bystrica, Trebisov) that many there also are involved in reciprocal exchange ties.

Exchange networks of several different types have been identified in other parts of Eastern Europe in the socialist or post-socialist era. In her book, *Russia's Economy of Favors*, Ledeneva (1998) describes the way in which individuals exchange goods and services in urban areas of post-socialist Russia. These exchange networks appear to consist of informally exchanging services to avoiding the huge transactions costs in a creaky, inefficient economy where ineffective institutions formed under socialism have not been replaced with anything better despite more than a decade of so called "capitalism." For example, if one needs to see a doctor, one will call upon a friend who is a nurse or medical receptionist to put one ahead of the waiting line to see the doctor. In Russian urban areas, services may, in fact, be in shorter supply

than goods because incomes are relatively higher and more goods are available in markets. In the Slovakian countryside, services are also granted through an informal network, but most of the exchange is in goods. In this respect, the Slovak case is more comparable to the one that Halpern (1958) has so aptly described for Yugoslavia in which urbanites obtain huge amounts of agricultural goods provided by rural relatives in exchange for goods accessible in the city on a weekly basis. Other similar systems have been described in Slovenia by Minnich (1991) and Caldwell (2004) in Russia. In short, exchange networks of one kind or another appear to be very widespread in Eastern Europe. But more research will need to be done to determine the extent of such relationships throughout the region.

In Slovakia, families are engaged in exchanges over the long run. The exchanges benefit all concerned since they take advantage of specialization. The exchanges are calculating, but relationships between the people involved are reinforced by varying amounts of love, trust, the duty to aid kin, and neighborly affinity.

A key question is why these exchange networks exist in a modern industrial state. Why depend on extended family networks rather than a market? The new institutional economists have developed a generative model that provides some insight into this question.

Nobel Prize winner Ronald Coase (1977) pointed out that in modern capitalistic countries, people have two different methods in which they can obtain the goods and services they want and need—markets and firms. There are two ways, for example, that a manufacturer can obtain nails: the nails can be obtained through the market by purchasing them in a hardware supplier, or the manufacturer can expand his own firm and make the nails in his own plant.

When markets work well, people obtain goods and services using the price system; when market imperfections exist, they obtain these goods and services by forming firms or expanding a firm already in existence. If markets work well, Coase argues, there would be no need for firms since people could obtain all they wanted by entering into a variety of exchanges with others in the market (1977). Unfortunately, markets do not always work well and people using them must often overcome large transactions costs. Various kinds of firms are invented to get around using flawed markets. From this perspective markets and firms are substitutes for each other. They both involve entering into contracts to regulate exchanges, and they are alternative ways of obtaining goods and services.

However, if markets and firms perform the same functions, they involve different kinds of organizations with different types of rules. Markets allow people to obtain things by entering into mutually agreed upon exchanges. The parties to these exchanges have no permanent ties to each other and the only information they have is provided by prices alone. A firm is composed of a set of people with long-term contractual ties to each other (i.e., employer, employee). Allocation of resources in a firm is made by "administrative fiat;" within firms, Coase (1977) says, "The price mechanism is suppressed."

Whether an entrepreneur obtains goods and services by expanding his or her own firm or depending on a market depends on the transaction costs involved. Transaction costs are the costs in time and effort to obtain the information needed to make an exchange, negotiate the exchange, and enforce the exchange. When the costs of making exchanges in the firm (i.e., labor, keeping track of inventory, etc.) are higher than the costs of dealing in the market, one will depend on the market. When the costs of dealing in the market (i.e., obtaining accurate price information, quality problems) are higher than making contracts in one's own firm, then one will provide the good or service in one's own firm (Acheson 1994). Whether an entrepreneur chooses to obtain goods and services through a market or a firm depends on the transactions costs involved.

Institutional economist Oliver Williamson argues that markets and hierarchies are "polar opposites" (Williamson 1996:104). Between markets and hierarchies on the continuum are intermediary organizations, called hybrids, which have some of the characteristics of both. They have weaker administrative controls than hierarchies, but fewer price incentives than markets.

Hybrids come in several varieties. One type of hybrid is a franchise, where individuals own firms, but have agreements with a parent organization which controls, prices, quality of goods, advertising, etc. A second type of hybrid is a public utility where a monopoly over a market is obtained with the condition that the state regulates prices. A third type of hybrid is trading groups where people use ethnic or religious ties to organize long distance trade. Still a fourth type is "relational contracting," in which buyer and sellers in a market maintain long-term bilateral ties with each other, and sometimes do business with each other over long periods of time. On the whole, anthropologists have shown little interest in the operations of large firms or spot markets. They have, however, done a good deal of work on various kinds of hybrids, especially trading groups (e.g., Cohen 1969; Dewey 1962; Landa 1997). They have shown special interest in and relational contracting (e.g., Mintz 1964, Plattner 1989), which are market exchanges between people with long-term ties. Unfortunately, the anthropologists have not developed a model to predict when such hybrids develop. Transaction cost economists do provide such a model. Essentially, they argue that productive organizations are selected to avoid high transactions costs.

The Slovakian household exchange networks are a type of hybrid, but one that has unique characteristics. The households involved have long-term ties with each other, but there is no central organization under the control of a manager as there is in a firm. Nor are relations between the people or households involved regulated by legal contracts as are franchises, or by the power of the state as is the case with public utilities. On the other hand, they are not engaged in exchanging priced goods in markets (see e.g., Mintz 1964)

One of the most famous studies of exchange systems was done by Sahlins (1972), but Sahlins's concepts really

do not fit the Slovak case very well. Slovak family exchange relationships are not a case of generalized reciprocity (highly altruistic) since these exchanges are quite strategic, and, in rare cases, those not reciprocating after a time are excluded from the system. But still, they are not instances of what Sahlins calls negative reciprocity, since people would be shunned if their rapaciousness harmed someone in the family.

Why don't these people depend on markets? Why trade primarily with kin rather than buying and selling in markets? The answer is that markets in Slovakia were very inefficient under socialism and they are still inefficient today. There are tremendous gluts and shortages of goods. Sometimes a person is able to buy the consumption good they want but all too often they cannot. Moreover, selling agricultural produce is always difficult. In short, using markets presents high transaction costs. It often costs less in time and effort to exchange with kin rather than depend on the vagaries of a creaky market system.

If Slovak markets are inadequate, then why don't Slovaks depend on hierarchies of one kind or another? The answer is that they do. The Slovak state has provided a good many agencies to provide medical care, pensions, unemployment insurance, and punish criminals. The problem is that these no longer provide adequate services, and even in the socialist era, they left a good deal to be desired.

However, state bureaucracies and large firms are not the only kinds of hierarchies. Kinship units can be organized as hierarchies as well. Why haven't large extended kin units come into being that own pooled assets and where people live jointly? After all, large extended family units have proven to be more effective in providing for and protecting family members in many agricultural societies than nuclear families (Wolf 1966:66-67). Why not evolve joint families such as the *zadrugas* found in Yugoslavia (Halpern 1958; Salzmann and Scheufler 1986)? The answer is that such units depend on having family members live in the same place, and they seem to work best when the household "controls most or all of the natural resources and skills necessary to maintain itself" (Wolf 1966:17). In Slovakia, these conditions do not exist. Family members cannot live together or even live in the same town. In order to find employment, many younger people have had to move to cities, while others work in foreign countries. Agricultural villages are slowly being depopulated. Moreover, there are no family agricultural estates. Agricultural land was confiscated by the socialist regime in various states from 1948-1972. When socialism ended there were strong reasons for people not to reclaim and re-privatize that land.

In Slovakia, a number of factors work against the formation of large economic organizations run by extended families or joint households. The existing family exchange networks have much to recommend them. These loose networks permit people to freely select their residence and move to new locations. People can live in scattered places (villages and cities) where they can find employment and still participate in the exchange network. Moreover, having

members of the network dispersed increases the area they can search for scarce goods and services. When someone in the network finds a good that others want, they buy a lot and distribute it, with the understanding that others are going to reciprocate. Finally, such an exchange network reduces risk and uncertainty. Like Hungary, post-socialist Slovakia is marked by inflation, high unemployment, and crime (West 2002). Being part of an exchange network allows people who are temporarily or permanently down on their luck to obtain goods and services from kinfolk who are temporarily or permanently more fortunate.

Notes

¹Wilk's (1997:166) work on Mayan extended household describes a similar egalitarianism within the household: "While households may vary in their relative wealth and status, within each community, the uniformity of housing expresses an ideology of equality."

²I believe that their reluctance to talk about money matters stemmed from two factors: this information could be used by authorities to affect taxes, pension plans, and unemployment benefits. It could also upset the capricious balance of social relations within the village.

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