

'A Palmy Balm for the Financial Crisis'

By: Kirk Huffman, Feb, 2009

We in the West - and, unfortunately, almost all economists - tend to assume everyone in the world wants more modern "money". Last week, the Prime Minister, Kevin Rudd, said of the financial crisis: "What began with unrestrained greed on Wall Street has spread across every economy in the world."

The blame might have been right, but the financial meltdown is not spreading to every economy. Some indigenous cultures are still chugging along quite happily, almost completely safe from the modern world's economic shenanigans.

There remain cultures that place very little real value on money. Many have their own traditional money which often serves their societies' needs better than anything the modern world can provide. They are often in control over the valuation of their economic systems and not beholden to unstable faraway lands.

On our doorstep is the Melanesian archipelago, stretching from New Guinea down through the Solomons and Vanuatu to New Caledonia. It covers a quarter of all the world's languages, and ancient, sophisticated cultures largely ignored by outsiders.

Many of these societies developed complex financial, economic, and trading systems that fuelled highly individualistic community-oriented cultures for centuries. Modern money is a rather cheap, shoddy, and anonymous item to replace all this with.

Some societies retained their traditional economic systems to enhance local identity, land rights and culture, while a large percentage of the rural population in Vanuatu decided to do so for those reasons, and for protection from the financial instability of the outside world.

The rather ineffectual French-British joint rule of what became Vanuatu after independence in 1980 left much of the population alone to continue life as normal. Its land is fertile, and there are few major problems except malaria, a bit of tuberculosis, volcanic eruptions, earthquakes and cyclones. Generally it's a good and rich life.

In the northern islands, male tusker pigs have monetary, sacred, and ritual value, depending on the curvature of their tusks. Such pigs can be invested in, and lent out at rates of interest and compound interest. There is never a dull day on the pig sharemarket, but without the pigs, the culture would disappear.

The 1997 South-East Asian financial crisis did not affect the country, but some realised that if Vanuatu had been more integrated into the world economy, it could have.

Today, almost 90 per cent of modern money in the country circulates within the capital and one other small town, but more than 80 per cent of the population lives in rural areas, largely according to the traditional agricultural, economic and ritual cycles.

"Real" poverty is almost non-existent in even the most remote areas, as everyone has land, food and culture. Only in the two urban centres - the only places where you need money to live - can you see signs of "real" poverty.

By the late 1990s concerns were being expressed about the money economy spreading out from the capital, its viability, and the stability of the modern economy. The Government declared 2007 to be the "Year of the Traditional Economy", and did it again last year.

Modern economic development theory, with its over-emphasis on money, threatens to condemn large swathes of the developing world to poverty. In Vanuatu, those with the least modern money will be among the least affected in the world by the global financial crisis.

The instabilities in the world financial system force us also to rethink what we mean by development, progress - and even education (at least for the developing world). Development for what? Progress for what? Education for what? Perhaps the modern world needs to listen seriously to kindly meant advice from our brothers and sisters in traditional societies, and also stop trying to change them to become like us.

I was at the Vanuatu Cultural Centre in November to attend the annual meeting of field workers from the outer islands. Many are chiefs, and some are from extremely remote areas. I gave a rather long talk in Bislama (pidgin English) about the financial crisis and its causes. Most of them did not know that it was happening - or, if they did, had paid little attention.

After the talk, one of the chiefs, an old and dear friend, came up to me and we shared cigarettes and bananas outside. He said: "We are very, very sorry to hear about all of the problems the white man is having now and our heart goes out to them. Some of us have tried to warn them before. When you go back overseas, you can tell them that if they want to learn how to live a good [sustainable] life, they can come and stay with us and we will be glad to teach them."