Informal Rural Economies in History

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The world is too much with us, late and soon,
Getting and spending, we lay waste our powers:
Little we see in nature that is ours;
For this, for everything, we are out of tune;
It moves us not.
(William Wordsworth)

Introduction

ECONOMIC LIFE, as we understand it, began with tribal and peasant societal exchange practices, which embodied the fundamental logic that what one group of people had in surplus could be traded for something else which was scarce or non-existent among them but which another group had in surplus. As society grew more complex and highly organized, formal economic structures, sanctioned and sometimes developed by the state, became increasingly important in commercial life until, with the advent of the Commercial and Industrial Revolutions in the late 18th and early 19th centuries in Britain, state organization and regulation of a genuinely national economy became essential. The restructuring of economic life that ensued appeared to render the old ways increasingly obsolete and certainly put them outside the boundaries of formal economic behaviour, even in the country-

side. We contend, however, that the old system did not disappear. Rather, it evolved over time into what we now call “the rural informal economy:” sets of economic activities that operate outside the formal legalised structures of a nation’s capitalist economy. By this we mean that they are based in community or family reciprocities which are usually found in combination with what we might today classify as occupational pluralism, but which initially involved the utilization of a range of ecological niches to provide year-round sustenance. They are, therefore, of necessity both place-specific in operation, and rural. We argue that this “ecological pluralism” — an essential component of the original system — remains a vital part of the rural informal economies of the world today.

Informal economies have always been an integral part of community survival in the western, as much as in the eastern, world and in the present as much as in the historical past.1 This paper concentrates on rural informal economies, because it is in rural areas that ecology and subsistence economics — the specific place-based practices of subsistence — come together as they did in the pre-industrial world. They remain a key part of the fundamental relationship between rural community subsistence, natural resources, demographics, ecology, and economy and, although they do not function within the rubric of a formal business economy (and are therefore not legally recognised or protected — hence the name), they may or may not use cash as a means of exchange. That said, payment is often “in kind” — shared baby-sitting, one skill proffered in exchange for another (“I’ll fix your car; you build my porch”). It follows, then, that the informal sector usually operates at the local level and on a small scale, the purpose of economic exchanges being household and community survival rather than wealth generation or profit.

There is also a long history of state and business resistance to informal economic activities, perhaps arising in some instances (though not all) from confusion about, and distrust of, the motivations behind the operation of economic activities on the “other side” of the formal economic fence. Such transactions are also often, and incorrectly, confused with the so-called underground or black market economy, with consequent implications of tax dodging or other legally suspect motivations. These misinterpretations are unfortunate because, even at the beginning of the 21st century, there are limits to human economic ingenuity and resilience, particularly under conditions of relative poverty. It is in such circumstances that informal economies are highly effective, not least because they are, and always have been, in whatever form they are found, supremely pragmatic. They are also expressions of a living culture, adaptable to change and capable of great flexibility which has rendered rural communities more resilient than they might otherwise have been. However, in Canada and elsewhere, as the technological and “information”

1We choose as examples only some of the cultures with which we are familiar and for which, therefore, we can provide local detail.
(more accurate than "knowledge") economy develops, the old, mature resource economy is increasingly abandoned or downgraded, and its informal counterparts circumscribed and thus deprived of their essential capacity to adapt. This is one reason why, in the face of social, economic, and environmental global restructuring, small communities are increasingly marginalized, neglected, and impoverished.

The time is rapidly approaching when Canadian society, writ large, is going to have to decide whether or not to defend the existence of our small, rural, resource-based communities in the face of ongoing environmental and social restructuring, national inertia, and even policies which, in practice, ignore or discount these communities. However, if such a defence is to be politically credible, there will have to be improved understanding at the national level of what it is that makes these communities important to Canada. This means identifying the strengths they possess that the whole society (not just those communities themselves) can ill afford to lose. It also means coming to grips with why they appear weak under current economic circumstances. Understanding of this nature may stimulate the political will to assist rural resource-based communities in their drive for a new kind of sustainability, but it is not proving easy to demonstrate to an urban post-industrial society the value of rural communities which some people see as outdated, inefficient, and as an economic drag on the nation.

This is not really surprising, for the root resilience of rural communities, historically and today, lies in their not-very-visible "informal" economic structures, which are not only economic in nature but also social (including ethical "rights" or obligations) and cultural. However, it is an important part of the scholar's contribution to society to look below the surface and seek the nuanced understandings that are vital to comprehension of the world around us. Here, therefore, we present in case study format a historical explanation of the cultural, economic, and social logic that has underlain, and given resilience to, coastal rural communities in Canada, from the time before European contact to the present day. We examine the various stages of development of what has become today's informal economy with a particular, but not exclusive, focus on informal economic structures in these small-scale Canadian societies. We conclude by drawing inferences for present and future policy in terms of the distinctions in perception of what constitutes working life between societies built on industrial (and now post-industrial) capitalism and those which are non-industrial in their root modus vivendi.

We take information to precede knowledge, in that it is reflection on how information is put together into meaningful packages that generates knowledge. By the same token, knowledge further contextualized and reflected upon may generate wisdom.

As such, we build on the ideas first proposed in the MacNutt Lecture of 1993, subsequently published as Rosemary E. Ommer, "One Hundred Years of Fishery Crises," Acadiensis, 2 (Spring 1994), 5-20.
(i) **Tribal and peasant (United Kingdom)**

In the pre-industrial past, there was no real distinction between a formal and an informal economy because, in pre-industrial societies, the social, cultural, and economic aspects of life formed a seamless web comprising activities which all were related, in one way or another, to community survival. Thus, subsistence activities (usually dictated by ecological and seasonal factors), gender divisions of labour, demographic strategies (where marriage partners were found, for example, or into which groups one might marry or not), cultural and religious practices and beliefs, resource access and ownership rights, even political obligations, organization, and practice, were interwoven into a whole way of life. E.P. Thompson has pointed out how the idea of time among such peoples was tied to cycles of work and patterns of domesticity. Such lifestyles were not, he pointed out, confined to the far distant past — there are many examples “nearer to us in cultural time.” Ommer applied that analysis to post-moratorium Newfoundland in 1994. We now extend these analyses by arguing that what we speak of today as “the rural informal economy,” is the present-day descendant of that old way of life. The identification of occupational pluralism as a key component of that ancient structure serves to demonstrate the closeness of the present-day informal economy to its historical roots.

Thompson talked of cultures close to these old ways as being found in many places such as the Aran Islands off the coast of Ireland at the turn of the 20th century, and he touched on how they used to function without drawing specific attention to the occupational pluralism which was fundamental to their survival. There are many modern anthropological studies of such “residual” communities in the United Kingdom, but they do not, for the most part, go as far back in time as we need.

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5 E. P. Thompson talks about them as moral economies, found in cultures in which “social intercourse and labour are intermingled and there is no great sense of conflict between labour and ‘passing the time of day’,” E.P. Thompson, *Customs in Common: Studies in Traditional Popular Culture* (New York 1991), 358.


7 Thompson, *Customs in Common*, 355.

8 Ommer, “One Hundred Years.”

9 Indeed, the single-job, single-wage norm of the developed world for much of the 20th-century modern economy may come to be seen as a historical aberration, if the recent shift to job pluralism (for individuals and households), which is becoming a recognized component of the impact of globalization on developed economies, becomes the norm. Although this paper concentrates on rural economies, some of what is proposed here may well apply in urban settings also. In the urban case, however, job pluralism would not necessarily imply the kind of geographical relocations (transhumance) implicit in much rural occupational pluralism.
to do here in order to get at the foundations of such cultures. However, the seminal work done by MacPherson on the functioning of the tribal society of the Highland Scottish clans as it existed at the time when the system was beginning to break down, but still retained key components of the old ways, does provide us with exactly the kind of detail we need. MacPherson wrote of a complex and sophisticated set of strategies for the maintenance of the small local kin groups (cloinne) which were the basic structural element of Highland society. These groups operated a seasonal round based on fishing, small-scale farming, and herding, which used the different ecological niches for each activity in a manner that drew together the requirements for maintaining the functioning of both their economy and society. MacPherson described "an ecology in which each component depended for its persistence and survival upon the others" and showed how the "social structure ... was intimately related to the tenure system by the concept of 'right of ancient possession,' and to the system of land use by the grazing lore transmitted from generation to generation." Moreover, patterns of daily life, of pasturage, and of ranching, were also interwoven so that their social, cultural, and economic functions were intertwined — a complex utilization of a range of ecological niches. When young people took the cattle and sheep to the high pastures in the spring, for example, they did so for two reasons. The milch cows and ewes derived value from the richness of the herbage with its additional exposure to ultraviolet light, and the clan of the different glens that shared those pastures formed alliances through the courtship (and later marriages) that resulted between the young people who tended the herds — thereby fostering a broader human gene pool as well as the well-being of the clan's herds.

10 See, as just one example, the series of essays in Anthony P. Cohen, ed., Belonging: Identity and Social Organisation in British Rural Culture (St. John's 1982).
12 The terminology is very specific. The clan proper was the whole set of families descended from one eponymous ancestor. The male children of this original ancestor became the progenitors of distinct lineages within the clan, called sliochdan. Local kin groups occupying a small part of the clan lands at any given time were termed clann (plural cloinne, from the Gaelic for children).
That is, "production itself (aimed) at the reproduction of the producer within and to­
gether with ... his objective conditions of existence." By the same token, surplus
went to feast (as in the potlatch — see below), to gift or to aid those in trouble. There
were no destitutes in these societies, since a moral responsibility was recognised to
support those in need, who were referred to as ag iarraidh a 'chodach — seeking or
asking their portion, legitimately, from the clann. The diagnostic features of that
society are similar in function and strategic approach to the tribal societies of the
New World, to which we now turn, and even to key components of the informal
economy today — an issue we will address later.

(ii) Tribal (pre-European contact, Canada)

We have, of course, no documentary evidence of the ways of life of pre-contact
First Peoples in Canada, but we can make inferences based on archaeological,
ethnographic, and linguistic research. In particular, there is a significant amount of
information in the oral evidence that comes both from local tradition (as handed
down over generations) and from the descriptions recorded by visitors in the early
days after contact between First Peoples and European explorers, merchant capital­
ists, and settlers. The evidence and analysis we offer in this section on pre-contact
society is drawn from these sources, but we contend that the broad principles which
formed the basis for Canadian West Coast tribal societies were paralleled by those
of other First Nation groups in North America and beyond. Indeed, the major char­
acteristics of those societies that we identify here for the West Coast of Canada are
definitive of the manner in which tribal societies, wherever found, operated.

It is accepted that, like those elsewhere in the world, Canadian First Peoples
based their survival and well being on complex, sophisticated, and highly variable
socio-cultural and economic systems. These always involved kinship networks,
reciprocity, wide-ranging alliances, and trading patterns, shared and apportioned
harvesting areas, and culturally prescribed sanctions against greed and waste, oper­
at ing at both the family and community level. Some of these systems remain, at
least partially, in place today. Among the Pacific Northwest Coast peoples, every
individual had an important role to play, tasks to perform, skills to learn and apply.
Extended families worked as units, moving throughout the harvesting period to dif­
ferent known locations, in a choreographed seasonal round. At each location, they
harvested and processed the foods, materials, medicines, and other products they
needed to bring them through the lean winter months until the next growing season.
Generally, the women undertook plant and shellfish gathering and food processing

14 Karl Marx, Grundrisse (New York 1973), 495.
15 See for example Fikret Berkes, Sacred Ecology: Traditional Ecological Knowledge and
Resource Management (Philadelphia 1999); and the Glenbow Museum exhibit,
"Nisitapisinni The Story of the Blackfoot People," Exhibit Guide for the Glenbow Mu­
seum, Key Porter Books (Toronto 2001).
activities while the men hunted and fished. In technological activities, women usually harvested and worked with fibres and hides, while men worked with wood, shell, antler, and stone. Both men and women, with special training, contributed to healing and maintenance of health. Children participated fully, wherever it was appropriate for them to fit in. While they helped, they were learning the skills and world-views they needed to continue this way of life into the future.

At times, and with some resources, a group accumulated enough to share or exchange with neighbouring peoples for products they might be lacking from their own territory. Some of these “extra” resources were then distributed later at feasts and potlatches hosted by families and their communities. Trading was an essential part of traditional economies for First Peoples. Archaeological and historical records show that First Peoples of western North America developed extensive and sophisticated trading networks and institutions to support them, which date back thousands of years, and which facilitated cultural and economic exchange. These networks for acquisition and exchange of culturally important resources, products, and knowledge sometimes covered hundreds of kilometres, involved multiple communities, and transcended many geographical and ecological regions.16 Dolly Watts, a Gitxsan food specialist, discussing the traditional economic system of her people along the Skeena River in northern British Columbia, summarizes such a situation:

Trade between villages was necessary to provide a continuous supply of food and accumulate wealth. Goods were exchanged by sharing, bartering, or trading a gift for a gift. Trade included sharing land that had a profusion of berries or hunting groups full of game. As there was an abundance of seafood on the coast, and similarly, an excess of meat and berries among the Gitk’sans, the exchange offered variety in our diets.17

Trade had cultural and ecological implications extending well beyond simple subsistence. It both shaped and was shaped by social institutions, language, and resource availability. In some instances of exchange, actual plant and animal species were transferred or transplanted to new areas, in order to make them more readily available. The complex systems of clans, phraetries, lineages, and inheritance that developed among First Peoples of the Northwest Coast, for example, were certainly linked to economic systems that promoted flexibility and resilience. Systems of ownership and proprietorship of resources and resource harvesting areas also de-

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veloped to control and facilitate exchanges. Marriages, too, were often based on opportunities for increasing resource access.

Throughout western North America and beyond were areas of special ecological richness that became central locations for trade and cultural exchange. There was, for example, one such exchange node at Botanie Valley, near present-day Lytton in Nlaka'pamux territory where, every summer, Nlaka'pamux people, along with Secwepemc and Stl'atl'ímux and other nations (as many as one thousand people in all) were hosted by the Lytton people. They met, at least in part, to take advantage of the great abundance of a number of different "root" vegetables and berries to be found there. Also important was the cultural "glue" created at these gatherings, where women harvested plant foods, men hunted, and everyone traded and socialized. In a classic paper on economic exchange and reciprocity among Salishan First Nations of the Northwest Coast, Suttles discusses the cultural bonding that reciprocal traditional economies encouraged. Among other factors, these involved a balance of exchange systems between kin groups, and in particular between "co-parents-in-law" (parents of children who were espoused) residing in different communities and having access to different resources. Suttles notes:

Co-parents-in-law are people linked by the marriage of their children. These are the people who exchange wealth at the wedding and who may continue to make exchanges as long as the marriage lasts... A man could at any time take food to a co-parent-in-law and expect to receive wealth in return... The person taking food invited members of his community to help him take it... The person or family receiving the food then invited members of their own community to share the food in a feast... At this time they hired a speaker to "pay the paddles" and to "thank" the co-parent-in-law... to pay each of the [people] who helped bring the food.... Everywhere one can take food and expect to receive wealth.

This system, with its definite inferred and accepted obligations, finely balanced by the prestige and respect attributed to generous individuals and community members, was, in effect, a formal (authority-recognised) system of First Nations before contact, one which has continued to this day. There are many variants

19 W. Suttles, Coast Salish Essays (Vancouver and Seattle 1987), 15-25; Susan Marsden, compiler, No Amwaaltga Ts'miyeen The Tsimshian, Trade, and the Northwest Coast Economy (Prince Rupert 1992), 36, 59, 75.
21 W. Suttles, Coast Salish Essays, 15-25.
22 Evidence for the official nature of the traditional economic system is provided by Kwakwaka'wakw historian and language specialist Dr. Daisy Sewid-Smith who elaborated
among other First Nations, but in all, the basic purpose was to build resilience for participating communities. As well as providing a range of predictable resources from outside the traditional territory of a community, it had its own “backup” system, allowing for resource surpluses and shortages to be more evenly distributed amongst members of a society. Thus, an excess from a large catch of herring or sockeye salmon, or a major harvest of camas bulbs which provided more food than a community could store for its own use, might be taken to an in-law’s community, to be repaid, immediately or at some time in the future, by other useful goods, such as mountain-goat wool blankets, dried sturgeon, wapato tubers, or bog cranberries.

From the Fur Trade era on, European trade goods, and even cash, figured in such exchanges. Labour also entered into the equation, since those who assisted

on the value of mountain-goat furs in her traditional culture. They were “coveted by all the tribal groups... We called these hides p’txalsasg’m because it’s so white. p’tx le means ‘fog,’ so it actually means ‘fog mat or garment’... And so when Hudson’s Bay... started coming out with their Hudson’s Bay blankets to take the fur off our hands, our people named those Hudson’s Bay blankets p’txalsasg’m, [the] same name as the mountain goat fur, because it was equivalent to the mountain goat fur as trade; it was used actually for cash. Like, a canoe might be worth a thousand mountain goat fur. And that’s how our people purchased things with it....” Daisy Sewid-Smith (Maynilh), Chief Adam Dick (Kwaxsistala), and Nancy J. Turner, “The Sacred Cedar Tree of the Kwakwaka’wakw People,” in Marsha Bol, ed., “Stars Above, Earth Below: Native Americans and Nature,” Background Book for Alococo Foundation Hall of Native Americans, Exhibit, The Carnegie Museum of Natural History (1998), 189-209.

Plants and plant products have always been an important part of this informal economy. Sometimes produce was exchanged directly; sometimes money was involved. A number of plant foods were valued highly in this system, and their exchange equivalents were carefully calculated and widely known. For example, bitterroot (Lewisia rediviva) was noted as being “expensive stuff” by Nlaka’pamux elder Annie York, who said that a 1.5-m string of dried bitterroot would be worth about one salmon in the early part of the 20th century. In the late 19th century, James Teit found that “ten bundles” of bitterroot could be exchanged for one large, dressed buckskin. Similarly, ten cakes of saskatoon berries could be exchanged for one large buckskin. Indian-hemp (Apocynum cannabinum), a fibre plant used for cordage, fishline and fishnets, was also widely traded; the value of this plant was indicated by James A. Teit, in “The Thompson Indians of British Columbia, Jesup North Pacific Expedition,” Memoir Vol. 1, Part 4, American Museum of Natural History (New York 1900), 261. He recorded that items for which five “packages” of the fibre could be exchanged included one large cedar-root basket, two salmon-skins full of salmon-oil, three sticks of salmon, one large dressed buckskin, one steel trap, or one canoe. Basketry “grasses” were also highly valued. Bear-grass (Xerophyllum tenax), for example, was a major item of export from the Makah and other peoples of the Olympic Peninsula to Vancouver Island. Recently, a small (about 2.5-cm, or 1-inch) bundle of bear-grass leaves, processed for weaving, could bring a price of $5.00 or $1.00, or more. Nancy J. Turner, John Thomas, Barry F. Carlson, and Robert T. Ogilvie, “Ethnobotany of the Nitinaht Indians of Vancouver Island,” British Columbia Provincial Museum Occasional Paper No. 24 (1983).
in the accumulation and transportation of food from one community to another were beneficiaries of the wealth distributed as payment or "thanks." As Suttles points out, some of the most productive techniques of food procurement required the cooperation, labour, and skills of several people, and he cites examples of shared access to food resources in exchange for labour contributions in reef-net and weir fishing and deer hunting.\(^{24}\) Other types of labour and services provided by people who were specialized in certain areas were also part of the economic system. A medical practitioner, for example, was often rewarded with gifts of food or manufactured items such as dried salmon, or even a canoe, if the healing case was a difficult one.\(^{25}\) Artists, canoe makers, cooks, hunters, and all others with particular skills who performed special services for others were likewise credited. As well as receiving goods or "payment," people who provided these services would often be publicly acknowledged and thanked on the occasion of a feast or potlatch, a practice that continues to this day. Similar reciprocal arrangements existed, with variations, throughout the Northwest Coast region: "A host at one time and place is potentially a guest at another."\(^{26}\)

Many of the early European settlers fit themselves into the reciprocal trading and exchange systems of the First Peoples. For example, Susan Allison, a remarkable pioneer woman who settled with her husband in the Similkameen Valley, British Columbia, described in her journal from the mid-1870s her efforts to provide for her family with skills and products they needed for survival:

The Indian women used to gather and dry Saskatoons, so I did the same and when they brought me trout which they caught by the hundreds in the baskets they set in the One Mile Creek, I paid for them with butter and then dried and smoked the trout, making delicious kipper for winter.\(^{27}\)

Susan Allison purchased and traded for baby cradles, berries, kokanee salmon, and many other items she needed from the local First Peoples, and it is worth noting that such activities were more imitative of the original indigenous socio-economic system than of the urban wage labour economy of her English homeland. Moreover, the kinds of knowledge she learned, and exchanges she made with the local aborigi-


\(^{26}\) W. Suttles; *Coast Salish Essays*, 25. For example, James Teit, "The Lillooet Indians, Jesup North Pacific Expedition," *American Museum of Natural History Memoir*, 2 (1906), 232, noted that the Lower Stl'atl'ílmx, when trading with the Sechelt, Squamish, and Comox Coast Salish at Jervis Inlet or Howe Sound, "were allowed to pick berries, and to hunt and fish, as much as they liked."

nal women, are more typical than exceptional in the rural exchange economy that existed among and between communities, both aboriginal and non-aboriginal, during the settler era. Reciprocally, the First Peoples bartered their harvested produce and manufactured items with their European neighbours to obtain the resources they needed, indigenous women often trading their basketry to their settler neighbours for potatoes, strawberries, used clothing, winter coats, or other products that would help them and their families to survive.28

The contrast between a traditional First Nation's socio-economic system, and that of Europe (in this case, France) in the early 1600s was noted, at the very outset of cultural contact between Europeans and indigenous peoples in what is now eastern Canada, by Sagard, a French Missionary Recollet:

[T]hose of their Nation ... offer reciprocal Hospitality, and help each other so much that they provide for the needs of all so that there is no poor beggar at all in their towns, bourgs and villages ..., so that they found it very bad hearing that there were in France a great number of needy and beggars, and thought that it was due to a lack of charity, and blamed us greatly saying that if we had some intelligence we would set some order in the matter, the remedies being simple.29

The comment parallels the Highland Scots' clann view of the world, a culture which also had no comprehension of begging. There is also some similarity today, in terms of informal reciprocity, with the way in which travellers outside their own country or city are provided with a place to stay and meals by friends and friends of friends. Again, the unspoken expectation is that the same courtesy will be provided in return, should the situation be reversed at some time in the future.

Although these systems could be termed "informal" — in the sense that there were no written rules about exact exchange rates of different types of food or wealth, or time frames for reciprocation — there were definite inferred, understood and accepted obligations. These were finely balanced by the prestige and respect attributed to generous individuals and community members. In effect these were the formal (authority recognised) systems of First Nations and European tribal societies before contact and/or conquest ... and the practice has continued since, although not formally recognised and protected by the Canadian state. In Europe, by contrast, traditional systems have for the most part died out, although there are relics,

like the Saami culture of northern Scandinavia (see, for example, Gold30 and the Saami website31 where we found the following: "Skolt Saami and Inari Saami have traditionally earned their living from a mixed form of subsistence livelihood comprising, inter alia, fishing, hunting and small-scale animal husbandry and reindeer herding.") For all of them, however — the Saami, the North American First Nations, and the Highland Scots — their moral economy combined with ecological pluralism were the fundamental basis of their way of life.

(iii) Commercial and Industrial Revolutions (UK)

E.P. Thompson was basically concerned with the way in which the restructuring occasioned by the Industrial Revolution altered such "traditional" societies — their work habits, legal views of property, and perceptions of work time. Thompson wrote mostly of Britain, of course, although he also used examples from peasant and tribal societies around the globe and over time. It would take, he observed, the introduction of capitalist practices, significant degrees of rural to urban migration, industrial employment, and waged work, to create the "revolution in time"32 that changed time into currency, "not passed but spent."33 Time, to the tribe, peasant, or medieval church was based on season, liturgies blending with the annual seasonal round, adapting to the older calendars of pre-Christian times. For industry, by contrast, time worked hour by precise hour, measuring not just the passing of those hours but, more importantly, the productivity they produced for a certain input of money by the employer industrialist.34

32David S. Landes, Revolution in Time: Clocks and the Making of the Modern World (Cambridge, Massachusetts 1983), 286-7. See also Miriam Pollard, The Listening God (Delaware, Maryland 1989), 56 — who says that the world’s time is "seasons, morning, noon and nights" which we, however, have "jammed into a row of mental cages and locked their doors."
33E.P. Thompson, Customs in Common, 359.
34E.P. Thompson, Customs in Common, 358. See also George Lakoff and Mark Johnson, Metaphors We Live By (Chicago 1980). There were exceptions, however. The case of Denmark is instructive. That country built its economic development, not on machine technology in which it could not hope to compete, but on the market niche (as we would term it today) of relatively small-scale agriculture aimed at the marketplaces of the surrounding industrialising nations. This allowed (and, indeed, required) Denmark to develop an economy in which employment and education allowed for harvesting and the time requirements of the agricultural year. Sidney Pollard, Peaceful Conquest. The Industrialisation of Europe 1760-1970 (Oxford 1981); Carlo M. Cippola, ed., The Emergence of Industrial Societies – 2. Fontana Economic History of Europe Series (Glasgow 1979).
Polanyi has argued that a fully articulated market economy only came into being with the Industrial Revolution. He claimed that “for the motive of subsistence that of gain must be substituted”\(^{35}\) in such an economy and in that “whatever the actual source [emphasis added] of a person’s income, it must be regarded as resulting from sale.” Once established, [it had to] “function without interference” — thus bringing into being the “free market system.” The result, coupled to machine technology, was to transform “the natural and human substance of society into commodities,”\(^{36}\) a process which would, over time, “disjoint man’s relationship and threaten his natural habitat with annihilation.”\(^{37}\) When, then, labouring time became subject, not just to ownership but to the tight scheduling of synchronised machine operations, Thompson maintained, the marriage of owned time (not just the labour itself) to waged work and to the formal economy of the industrialised state had been accomplished.

The socio-cultural implications of that shift were profound. They were also seriously dismissive of the older way of life, since men who were “accustomed to labour timed by the clock” saw that earlier blending of the social, cultural, and economic as “wasteful and lacking in urgency.”\(^{38}\) Here is at least part of the explanation for the modern conservative and neo-liberal mistaken dismissal of rural informal ways of life as unproductive and inefficient. This is the kind of mistake Polanyi warns about — that of judging social behaviour solely from the economic ideological position that holds to a “belief in spontaneous progress” and it is attitudes like this which have led again today (as they did in Victorian England in the post-Industrial Revolution euphoria) to a society governed at its core by economic principles.\(^ {39}\) This mindset, as Charles Dickens portrayed so effectively in his novels, takes no account of either the poor or the disadvantaged, and fails to understand that any economy is embedded in social relations that affect rich and poor alike.

The transitions over time to first a formal commercial (merchant-operated), then industrial (machine-based), and now post-industrial (“knowledge-based”) economy have all served to emphasise the distinction between the formal sectors of those economies and their (informal) community or household-based sector which does not operate under free-market exchange mechanisms. This is a manifestation of the relatively recent absorption of the social in the economic. Polanyi says that, while exchange operations in a marketplace have always been with us in some shape or form, a market system based purely on market price — that is, an economic system in which the social is not a central concern — is a product of the industrial and post-industrial age. It has gone hand-in-glove with the rise of indi-

\(^{35}\)Karl Polanyi, *The Great Transformation* (Boston 1957), 41.

\(^{36}\)It is no accident of language that today we speak of “human resources,” “intellectual capital,” “intellectual property,” and the like.


\(^{38}\)E.P. Thompson, *Customs in Common*, 358.

individualism which (as currently apprehended in the boardrooms of the state and the global corporate community) encourages a competitive, rather than collaborative environment, although even here collaboration is found when it suits business purposes. Anti-trust legislation exists to prevent "unfair practices" — collaborations are better described as alliances, which operate against the rules of the capitalist competitive system by giving such a group something approaching monopolistic control of markets or control of raw materials. Indeed, the drive to monopoly, which is fuelled by the search for security for capitalist firms, is in contradiction to the principle of competition in a "free" market.

We cannot take the time here to go into the details of the United Kingdom transformation from a peasant to an industrial capitalist society, nor is there any real need. It was a lumpy, bumpy process that took time, being chronologically much more fractured, and regionally much more dispersed in its early development, than is often thought. It is richly documented, from several ideological perspectives. However, E.P. Thompson’s work on custom, the perception of time and work, and the legal view of rights, customs, and subsistence practice requires particular attention in this essay. In pre-capitalist societies, time ran by season, and/or by task, as he discussed. Rural society measured time by natural events: seasons, weather, light, darkness, pasturing animals, seed time, and harvest. Time, that is, was related to familiar natural events in the cycle of work, or of domestic chores, although the concept "chores" actually belongs to an industrial world and was not the way ru-

40 Unlike the "argument from Darwin" which, while much beloved by corporate ideologues, misunderstands Darwinian natural selection. In fact, the natural world displays a nice balance between competition and collaboration, and Darwin points to the importance of variation for survival — a range of evolutionary strategies which will allow survival of those who develop the best strategy. Not only is this "social Darwinist" attitude scientifically incorrect, it is also scientifically naïve to extend the functioning of the animal kingdom to the human species, given the significant differences between them. In this respect, it is worth pondering the tendency these days to argue for specific rights without equal attention being paid to their reciprocal responsibilities. Even human rights, when thought of on an individualistic basis can become competitive rather than collaborative.


42 E.P. Thompson, Customs in Common.

Rural people thought, or some still think. To them, work was socialised — combined with gossip, or minding the baby, or doing things together, as in the sheiling activities of the Highland Scots or berry-picking and reenact fishing on B.C.'s Northwest Coast. This kind of thinking is often talked about as "task oriented," and does not make a distinction between chores and other activities. It is still important today in many non-industrial parts of the world, and there is, in such a system, less demarcation between "work" and "life" than is found among the rank and file of an industrial workforce. However, if a traditional owner-operated peasant farm employed a farm hand — someone who was paid a wage of some kind (be it cash, food, or whatever), this addition of non-family labour turned time into money — the farmer's money. That meant that work time now had to be measured, and accounted for. Time had become transformed; it became, as E.P. Thompson has it, "currency... not passed but spent" by the employer.

As industrial capitalism took hold — first in Britain in the late 18th and early 19th centuries, and then elsewhere — workers' time became industrialists' money, and the clock became vital to the factory workplace with its new, and different, rhythms. Here is a quote, cited by Thompson, from the House of Commons Journals for 1798:

the cotton and wool manufactories are entirely indebted, for the state of perfection to which the machinery used therein is now brought, to the clock and watchmakers, great numbers of whom have... been employed in inventing and constructing as well as superintending such machinery....

This is an important quote — it was rooted in the knowledge that, on the new industrial shop-floor, with its large-scale machine-based technologies, labour had to be synchronised. Before the technological breakthrough we call the Industrial Revolution, this would have made no sense. A farmer might need to get a job done before winter, perhaps, but hours or minutes did not matter so long as the task was completed "in time," i.e. old season-tied time, before the weather broke. Pre-industrial work time, then, was often marked by bouts of intense activity followed by stretches of leisure which it would be a mistake to construe as "idleness."

With the Industrial Revolution (which was tied to a social revolution in which merchants and industrialists became, for the first time, real powers in the land), there developed a whole new "work ethic" — an expression we still use today. This new view of the world preached not only financial thrift, but "time thrift." That ethic, by the way, was linked strongly with the Protestant religion, the religion of the merchant and industrial class, not the Anglicanism of the English aristocracy.

45E.P. Thompson, Customs in Common, 364.
The argument was that, according to the idea of predestination, one was either among the elect, or one was not. To prove that one was among the elect, one behaved as a godly person: one did not flaunt wealth (as had the gentry), one was thrifty, and one did good works, bestowing some of one’s wealth on the deserving poor. From this came a pattern of social and economic behaviour, often called “the protestant work ethic” which, taken to extremes, created the iniquities of the workhouse as portrayed, for example, in Dickens’ *Oliver Twist*. One 18th-century clergyman, speaking of poor families in Manchester in 1755, described the tea-table as a “shameful devourer of time and money.”\(^{46}\) Mr Bumble, who ran the workhouse in *Oliver Twist*, would have applauded the sentiment. But such attitudes were not confined to the workhouse. Schools were advised to teach time thrift so that they would deliver to society “a rising generation . . . so habituated to constant employment that it would at length prove agreeable and entertaining to them.”\(^{47}\) Education was being defined, that is, as early as the 1770s, as “training in the habit of industry.”\(^{48}\) The informal economy, under such a doctrine, was wasteful, shift-less (without shift work, or wage labour employment), old-fashioned, unenlightened, and unacceptable.

Of course, there was a transition phase in which, for example, in rural areas, the practice of “putting out” matched rural needs with industrial output requirements.\(^{49}\) Piece work (or part-time supplementary work), was called the “putting out” system in the early textile industries whose managers gave out parts of the making of fabric to peasants to do at home. This assigning of work to weavers and spinners was in fact the precursor of the first modern factory industry, the textile industry. It performed the very useful function of accustoming people gently to time discipline. Spinning, after all, had to be completed in time to keep the weavers going — there was a critical path which had to be followed if production was to flow smoothly and without bottlenecks. But the work was often carried out in the back shed (and still was in the Hebrides as late as the 1970s), often involved the whole family, children included, and as such was a useful commonplace traditional supplement to an often insecure livelihood. It worked more along the rubric of the informal economy and made for a relatively easy transition from the old peasant economy to the new industrial regime. Indeed, “putting out” usually operated within the rural community-based seasonal round.

The transition from a rural or commercial to an industrial society was not simple, nor did everyone take it lying down. It all took time: the doors of the first big factory did not just open one day, and everyone dutifully clocked in. Full-scale shop

\(^{46}\) E. P. Thompson, *Customs in Common*, 386.


\(^{48}\) E. P. Thompson, *Customs in Common*, 387.

\(^{49}\) In this context, the term “cottage industry” is not only about size of firm, but also about custom and practice.
floor employment, and shift work, did not instantly become the norm. There was a
great deal of resistance to factory machine-based labour, both because of excesses
in the way labour was managed, and because, as machinery became more preva­
lent, those precious wage jobs on which the industrial economy had taught people
to rely, threw the old skilled hand-weavers and spinners out of work. De-skilling,
and the hardships and disjunctions of technological breakthrough, are not a new
phenomenon. Resistance took the form of riots and, eventually, machine-breaking
as the work world changed and waged employment, with its dark underbelly, un­
employment, took over the land.

But technology progressed, then as now. Eventually the workers recognised
that the new order would have to be adopted, and they appear to have decided that if
you cannot beat it, join it — for they did. The symbol of success for the working
man became — his watch; his reward for long and loyal service to the firm — the
gold watch. Time, which had come to rule his working life, now, in retirement, be­
came his boast. He had “bought in” to industrial capitalism. The cultural impact
was significant: seasonality, for example, became a problem, instead of a guide to
appropriate economic activities, and household labour, child-rearing, and percep­
tions and uses of time now marched to a capitalist drum.

(iv) Post-contact tribal societies in western Canada

The imposition of European market-driven and colonial economic systems upon
Canadian traditional indigenous systems was fraught with conflicts, and created
both social and ecological imbalances in the existing systems. Nuu-Chah-Nulth
Hereditary Chief Earl Maquinna George from Ahousaht described how his peo­
ples’ hunting traditions and systems were exploited by the fur traders seeking prof­
its from fur seal and other marine mammals during the 1800s through to the early
part of the 20th century. Non-Native commercial sealers enlisted the Nuu-Chah-Nulth as hunters, as well as cooks, and numerous local people travelled on the
sealing ships, away from their communities, and their regular food-harvesting ac­
tivities, for many months at a time. They went north to the Pribilof Islands and be­
yond. Many never returned, being killed in accidents or by sickness. Although
some Nuu-Chah-Nulth people became wealthy from these expeditions, the end re­
result was a decimation of the fur seal populations, and complete disruption of peo­
ples’ traditional lifestyles.

The story is not unique. It happened to the Highland Scots, and it has happened
time and time again. Indeed it is the norm, when peoples’ traditional resources,
skills, and labour become commercialized, and their access to their various eco­
logical resource niches inhibited or removed completely. This remains true even if the
people themselves have not been involved in the commercial activity. In Canada, as

50 Earl Maquinna George, “Living on the Edge: Nuu-Hah-Nulth History from an Ahousaht
elsewhere, First Nations were conscripted as labourers in many different ways, and often this work involved conversion of their own traditional lands into a new management regime, one that worked for the newcomers, but not necessarily for the original inhabitants and their culture. E.P. Thompson goes into the process at length in his *Whigs and Hunters* with respect to changing management regimes and the enclosure of some of the English commons.  

In Canada, to take a New World example, James Douglas proudly recorded in 1851 of the construction of Fort Victoria that, “We have about 100 Indians employed in clearing the Brush and trees and bringing new land into cultivation.” In that construction, Douglas offered one 2-point blanket to the Lekwungen (Songhees) for every 40 cedar pickets they cut — in effect, a half-way house to a wage economy, based on exchange of goods. Similar situations of First Peoples being hired as labourers to transform the landscape occurred many times. Pioneer woman Jessie Ann Smith of Spences Bridge on the Thompson River, described in her 1884 diary aboriginal people being hired to build irrigation flumes to convert the drylands of sagebrush and cactus into “productive” agricultural lands:

I was amazed to see the Indian women working, too. With tumpline straps across their foreheads, the Indian women carried the flume boards on their backs up the side of the mountain to the men. They also carried up water from the Thompson River to cool the tools that the men were handling for the heat was so intense.

In the early part of this century, Kwakwaka'wakw Hereditary Chief Adam Dick and his community members at Gwayee Village, Kingcome Inlet, were hired to build the dykes around their traditional wild root vegetable gardens on the tidal flats at the mouth of the Inlet, so that the land could be converted to ranchland, with large numbers of grazing cattle and sheep. They were paid with butter and other goods. As soon as the dykes were built, the new owners of the land, the Halliday family, proceeded to exclude the local indigenous people, cutting down their wild crabapple trees so that local people would not trespass on what was now Halliday property.  

Similarly, in the mid-1950s, local Stl'atl'imx people from the Lillooet area were hired by the hydro and power authority to build a power house at Cayoosh Creek and to channelize the creek at the entrance to Seton Lake. As a result of this construction, the runs of sockeye that formerly spawned in Seton Lake have been virtually eliminated, to the great detriment of the local people.

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51 E.P. Thompson, *Whigs and Hunters.*
55 Adam Dick, personal communication to Nancy Turner, 1999.
For the First Peoples, participating in these activities under the new economic regime was seen as a matter of survival. Secwepemc elder Mary Thomas recalled, "I often heard my mother talk about this, that it [clearing the land for agriculture around Salmon Arm] wasn't their way of life, but they had no choice. They had to accept the way they were taught, how to survive, was to chop down all these trees and cultivate it into European way of living. I guess that's where we began to lose a lot of the traditional foods."57 Others found ways of extending and modifying their traditional activities into the wage or market economy, through seasonal work in canneries and fruit harvesting, or through home-based production of art and clothing, such as in the development of the Coast Salish Wool Working industry on Vancouver Island.58 Such activities usually allowed women opportunities to care for their children, and in fact, children often participated in production even at a young age. The late Margaret Siwallace, of the Nuxalk Nation, as a nine-year old child in the early 1900s, used to accompany her aunt to the cannery at Bella Coola. While her aunt worked, Margaret would collect the discarded salmon heads and tails, take them home, and smoke them in the smokehouse using driftwood she had gathered. This was her family's food supply for the winter.59

Virtually all Aboriginal elders throughout the province of British Columbia today note the loss of resources and culturally important species with the imposition of colonization and the European economic system. The list is long: loss of cranberry bogs, drained for agriculture or for highway construction; of eelgrass (Zostera marina) beds and herring spawning grounds from logging and dredging activities; of creeks where salmon and trout formerly abounded; loss and pollution of clam beds and those of the native oysters; and loss of tidal flats where people used to cultivate their root vegetables. Add to that the loss of cedar trees whose bark and wood people relied on, and of yew trees (Taxus brevifolia) which were needed for their wood and for medicine. These losses are known and talked about, but very few people outside the aboriginal communities know or think about them.60

Furthermore, even when the traditional resources still exist in former harvesting areas, aboriginal people are often now denied access to them, and this has led to a further deterioration of their original cultural and economic systems. Kwakwaka'wakw Hereditary Chief Adam Dick often talks about the losses, and notes the profound impacts on peoples' lives even within his own lifetime. Yet, despite the losses and exclusion, informal exchanges, both resource and cultural, have

57 Mary Thomas, personal communication to Nancy Turner, 1995.
59 Personal communication to Nancy Turner, 1984 by Margaret Siwallace, Nuxalk Nation.
continued to the present day, both within and among aboriginal families and communities, and between them and their non-aboriginal neighbours.

There are numerous examples, especially regarding procurement of traditional food, a key resource in communities with high levels of unemployment, and low monetary income. Compensation comes in time spent at the oulachen (a small, oily smelt, smoked and rendered for its “grease”), seaweed and salmon camps, in food fishing, and processing the catch. Virtually every Northwest Coast family that participates in traditional food harvesting is also a part of an exchange network in which some of their harvest is used to procure other valued products. The informal economy in this case is enacted through many different social institutions. Potlatching is a critical one; potlatch gifts accumulated by family members of the host to distribute to the invited guests include many nutritious food items — jars of smoked salmon, wild berry jams, jarred soapberries, dried seaweed, and oulachen grease — as well as basketry and other works of art. These hosts will themselves be recipients of such products when they are invited as guests to subsequent potlatches.

Helping in the processing of food — whether cutting up salmon for smoking or chopping seaweed after it has been compressed into cakes in cedarwood boxes — also entitles one to a share of the final product. Another, recent institution that facilitates the informal economy for aboriginal communities is the annual “All Native Basketball Tournament,” hosted in February in Prince Rupert on the North Coast of British Columbia since the 1960s. This event is eagerly anticipated by many people, who count on meeting friends and relatives from many other communities and exchanging their favourite local foods — oulachen grease, herring eggs on kelp, or huckleberries — which they bring especially for trading on this occasion. This exchange routine is embedded in the broader social and environmental context of the entire region, and, together with many other cultural practices and institutions, it contributes substantially to peoples’ overall health and well-being, and to their resilience — their ability to withstand economic stress and still survive. The procurement and processing of these and similar foods and materials mentioned above is reflective of an entire system of knowledge and practice, traditional ecological knowledge, that relates directly to environmental monitoring and stewardship. Such knowledge, focused on specific places and embodied in specific language and vocabulary, is nevertheless holistic in its approach and is critically important in the conservation of biodiversity, as well as in maintaining cultural diversity, in the world today.

Nancy J. Turner, “The Ethnobotany of ‘Edible Seaweed’ (Porphyra abbottae Krishnamurthy and related species; Rhodophyta; Bangiales) and its use by First Nations on the Pacific Coast of Canada,” Canadian Journal of Botany, 81 (September 2003), 283-93.

(v) Colonial "traditional" settler societies in Canada

We have chosen the history of rural Newfoundland to stand as the surrogate for the story of the informal economy in traditional settler societies in Canada, because it represents the fundamental features of such societies: ecological pluralism, a commercial component that predates permanent settlement, colonial staple resource development, and a long history of informal community networks that operated beyond the formal commercial (and later industrial) base of the provincial economy. Beyond that, there also exists a way of life and devotion to place which bear witness to a living rural culture, although it must be pointed out that there are many community social structures that demonstrate similar features elsewhere, be that in other parts of Atlantic Canada, Europe, or, indeed, in many parts of the so-called underdeveloped world.

In Newfoundland, early migrants were brought to the shores of the colony to fish for the merchants. Initially they were indentured to stay on the coast over two summers and one winter, but the fiscal logic of the migratory fishery slowly gave way to one in which a settled labour force made more sense... provided labourers did not have to be paid year-round for work that was limited to a fishing season of perhaps four to six months. From that requirement came the ecological pluralism of the settlers and the truck system of the merchants. More specifically, in the early days the informal, or "household," economy was a feature of the household, community, and extended kin group (sometimes one or more sets of these), but it was found in combination with an ecological pluralism based on (often marine) transhumance which occurred because of the seasonality of the formal economy which was based on the cod fishery, and which left settlers with the need to provide for themselves for the remainder of the year. Consumer goods that could not be derived through hunting, gathering, and "gardening" constituted essential inputs to the household, and it was these that were delivered by the merchant to the settler who paid for them in fish — the basis of the truck system.

63 The literature is rich, but see, for synopsis, the 1986 Newfoundland Royal Commission on Employment and Unemployment. For detailed examination of the way of life and economy in two locations on the coast, see Rosemary E. Ommer, "Merchant Credit and the Informal Economy: Newfoundland, 1919-1929," Canadian Historical Association, Historical Papers, (1989), 167-89.
64 H.C. Brookfield, Colonialism, Development and Dependence. The case of the Melanesian Islands in the South Pacific (Cambridge 1972), 1-19. Melanesia is a Polynesian example - cargo cults and colonial staple economies have a great deal in common. The literature in anthropology, cultural geography and sociology is vast. See, for example, Hugh Brody, Inishkillane: Change and Decline in the West of Ireland (London 1973) and The Other Side of Eden: Hunters, Farmers and the Shaping of the World (Vancouver 2000) for Ireland and Canada.
65 See, for example, Ernst, Clarke, Taylor, Nobles, and Vickers for New England, Nicholls for Virginia, and Ommer, Thornton, Anderson, Hiller, Lewis, and Macdonald for various
Although Newfoundland history documents a particular expression of the informal economy, the basic rationale — that the different resources exploited in these economies forced their amalgamation into an annual seasonal round in which people moved around from one specific resource to another, each of which had its own distinctive ecological “niche” — applies to many such economies in many parts of Canada, and elsewhere.

In some cases population pressure also encouraged temporary migration in search of other forms of livelihood which would supplement the resources of a community from a distance. In all cases the informal economy was characterized by resource dependence, “satisficer” mentality, kin-organization, and a small-scale society in which informal economic arrangements and an egalitarian ethic were commonplace and understood. The latter two characteristics are identified for Newfoundland as the “moral economy” by Cadigan, who speaks of Newfoundland fishers as having a moral economy which was composed of marine access rights “laden with moral responsibilities.” The “merchant credit” or “truck” system in the fishery (and also, later, in forestry and mining) operated as an interface between the formal and the informal, and it functioned well for both sides (despite its built-in inequities) in a remote economy which suffered from specie scarcity.

The formal commercial mercantile economy relied upon the informal system because the flexibility of the community and its seasonal exploitation of a range of parts of the Newfoundland economy. All are in Rosemary E. Ommer, ed., Merchant Credit and Labour Strategies in Historical Perspective (Fredericton 1990).

See the overviews in such standard textbooks as L.D. McCann, ed., Heartland and Hinterland: A Geography of Canada 3rd ed. (Toronto 1982) and Richard Cole Harris and John Warkentin, Canada before Confederation: A Study in Historical Geography (New York 1974).

H.C. Brookfield, Colonialism, Development and Dependence: The Case of the Melanesian Islands in the South Pacific (Cambridge 1972). But see, for example, pages 9-17 for a close argument about the value of peasant societies and the possibility of their integration into colonial (and post-colonial) societies in a positive, rather than destructive, manner.

Ottar Brox, Newfoundland Fishermen in the Age of Industry (St. John’s 1972); Rosemary E. Ommer, From Outpost to Outport: A Structural Analysis of the Jersey-Gaspé Cod Fishery, 1767-1886 (Montreal and Kingston 1991); J.J. Mannion, The Peopling of Newfoundland: Essays in Historical Geography (Toronto 1977); Hugh Brody, The Other Side of Eden.


For detailed discussion see Rosemary E. Ommer, “Merchant Credit and the Informal Economy,” and Rosemary E. Ommer, From Outpost to Outport.
resources allowed the local residence of an otherwise too expensive labour force.\textsuperscript{71} Merchant account books show a range of purchases from settlers: codfish, potatoes, furs, berries ... whatever would sell, either in the company store, St. John's, or a foreign market.\textsuperscript{72} For settlers too, multiple resource exploitation was a means of survival:

Thus, in Bonavista, pluralism meant animal husbandry, gardening and fishing; in Francois (South Coast) it meant herring, lobster, seals, and cod fishing, there being no soil to speak of, while on the richer soils of the West Coast, from Bonne Bay south, agriculture and timber alternated with herring and lobster fisheries but less cod. Ferryland, close to St. John's, had a mixed inshore and offshore banks fishery; Catalina was a centre of the Northeast Coast cod fishery; Greenspond focussed on sealing; Forteau and Red Bay used the more northerly Labradorian resource mix; Burin concentrated on the historic banks fishery; and Bell Island was host to the first major industrial endeavour in Newfoundland — the exploitation of iron in a previously rural environment.\textsuperscript{73}

Over time, diversification grew around an artisanal base in the old English Shore settlement of Harbour Grace, in the commercial logging of the West Coast as far north as Bonne Bay, and in the enclave economies of Buchans, Bell Island, St. Lawrence, Grand Falls, and Corner Brook.\textsuperscript{74} The combination of rapid enclave industrialization and a traditional fishing sector which saw little technological innovation resulted in population pressure, sufficiently severe to create serious problems in the colony. Household production was seen by government as making an invaluable contribution to general welfare, but the advent of World War II created a turn-around in the economy, and the Commission of Government's recommendations for formally recognizing and supporting the informal subsystem were shelved.

The years after Confederation (1949), when Newfoundland joined Canada, brought crucial change through the imposition of rapid modernization of the provincial economy and the addition of a series of "safety net" devices for the informal

\textsuperscript{71}Rosemary E. Ommer, ed., \textit{Merchant Credit and Labour Strategies} (Fredericton 1990), 14-15; Rosemary E. Ommer and Peter R. Sinclair, "Systemic Crisis in Rural Newfoundland: Can the Outports Survive?" in John T. Pierce and Ann Dale, eds., \textit{Communities, Development and Sustainability across Canada} (Vancouver 1999), 52.


\textsuperscript{73}Rosemary E. Ommer and Peter R. Sinclair, "Systemic Crises in Rural Newfoundland," 52-3.

\textsuperscript{74}For a recent detailed history of Newfoundland from this perspective, see Sean Cadigan, "The Moral Economy of the Commons," and "The Moral Economy of Retrenchment and Regeneration in the History of Rural Newfoundland," in Reginald Byron, ed., \textit{Retrenchment and Regeneration in Rural Newfoundland} (Toronto 2002), 14-42.
sector through government pensions, welfare, baby bonus cheques, and unemployment insurance. This meant that monies directed to the people through the social policies of the state in effect took the place of the old merchant credit subsystem which had been a mainstay of the informal economy. Along with this shift came increased pressure on the fish stocks of the northwest Atlantic.

Until 1977 foreign overfishing was primarily responsible for this but, after the Canadian 200-mile-limit was imposed, Canadian fishing firms invested heavily in the offshore, and they in their turn overfished the groundfish stocks at the same time as climate changes made the stocks more vulnerable. However, even as late as the 1980s, a large number of fishers persisted with an inshore fishery which was by then propped up by state income and capital infusions, as well as indirectly by the paid labour of other household members in fish plants and service industries. They struggled to maintain what Sinclair has termed domestic commodity production in the teeth of licensing policies that made it impossible to move flexibly from one resource species to another as availability and prices would dictate, as well as the scarcity of cod inshore in many of the last 30 years. The flexibility of the earlier outport system was being destroyed. At the same time, fisher-owned “longliners,” capable of going far offshore and utilizing mobile gear, became a core part of the fishery in many areas. This deep-sea fleet took a growing share of the catch.

The informal economy was transformed as outport people became more dependent on cash income from some source to combine with subsistence production.

We use the term modernization here with some hesitation to refer to the development of industrial capitalism in the formal economy and to institutional changes such as mass public education, democratic political representation, and urbanization. We do not wish to imply, as was common in the 1950s and 1960s, that “good” successfully developed societies were those that became modern like the USA. The concept was also associated with a tendency to see the social and economic systems in a dualist way — traditional and modern sectors with little interconnection.


The term refers to production of goods for sale based on household ownership of the means of production and the utilization of household labour. Peter R. Sinclair, *From Traps to Draggers: Domestic Commodity Production in Northwest Newfoundland, 1850-1982* (St. John’s 1985).
Unemployment insurance was vital to this transformation, providing much of the "start-up" capital for informal activities — mending homes, building fences, hunting for country food, and so on. Here is one typical pattern, described by a rural Newfoundlander named Harold, which we quote in detail because it captures so much of the old way of life:

In 1946, I did some farming on a small scale but enough to make a living at. Then I had four years fishing, and back then, if your fishing year was bad, you could always move to something else in the off-season; like you go to the lumber woods in the fall and winter, or you went away doing a bit of carpentry work somewhere. This changed a lot from today: you can't step into someone else's trade. Unions have done a lot of good, but there's a lot of hurt gone in there too. Today you're deprived of being free and able to do what you want.

Later, Harold talked about how government regulations had made it almost impossible for small sawmill operators like himself to survive. Again, the occupational pluralism aspect of the informal economy rescued him:

over the years that I lived here from 1946, like I say, I farmed and I fished and I worked with highways for a number of years... Then I quit that and went on construction with the contractors, and I spent the rest of my days all over the Island and Labrador. Somewhere in between there, in 1952, I started a sawmill. My family was all small then, so I was working alone, and whatever help you had to get you had to hire and you couldn't make enough then to keep the family going....

This movement from job to job without regulation or demand for formal qualifications allowed Harold a modest living. But his story provides evidence that the informal economy extended beyond the male wage earner, or even the immediate family, as had the traditional peasant system:

There was times I was away then — one summer I was gone for six months before I got back again, from May to the latter part of November. If something went wrong, well, if one of the children was big enough they'd go down next door or go out to their grandmother's. She [Harold's wife] looked after the gardens and grewed enough vegetables to keep us, the family, for the winter — plus we always had some sheep and they were sheared before I went away anywhere, and the wool was shipped to Nova Scotia. They did up the wool and sent it back again. We had some done up for blankets and more done up for yarn for sweaters, socks, and mitts. So my wife done the knitting and sewing and made clothes for the little ones. She made all their clothes. Bell, my wife now, she done the same thing when hers was small — she made all their clothes.

A combination of wages, cooperation among households, and considerable subsistence production allowed Harold and other outport residents a modest living:
For instance, if you went fishing during the summer, and you were doing alright, when you’d get settled up in the fall you’d have to buy enough ... and store it all in the house for the winter. You had flour, sugar, salt beef, pork, tea, and dried fruit (such as prunes and apples), and it was all stored away in the house and you wouldn’t go to the store any more for the whole winter. When freeze-up time come, you’d kill a lamb, or if someone had a cow to kill the meat was shared. If someone had a cow to kill this year and you had a pig to kill next year, you’d exchange back and forth. You’d have to wait 'till the frost come before you could keep the meat by natural frost. You’d kept it hung out in the shed and you went out and sawed off a piece of meat whenever you needed it. In the spring then, there was always a few turrs [seabirds] on the go, and seal. Everything was fresh that way.

With time, cash became increasingly important. If it was unavailable from the usual round of work, something had to be done about it:

Back in 1948/49 we were fishing and one year we were down a bit and my income for the season was $625. We had all the fish dried and shipped. We paid our bills to the merchant that we owed at the end of the summer, paid our doctors fee which was five dollars a year we had to pay to keep the doctor in the community, paid the church, and that year, when I had all bills paid off, I had about $15 or $20 left. Now what was I gonna do for the rest of the winter? So I stored up what wood I could for my wife and the children, and the fifteenth of December I went in the lumber woods and spent Christmas and stayed until just about the last of January. I come out of the woods with $110 -$120. I was safe then.

By 1992 overfishing resulted in the declaration of a moratorium, and the formal economy of the outports faced imminent collapse. Today, in much of rural coastal Newfoundland, it is the informal economy which remains an essential part of community survival. This is the case which had explicitly been made for Newfoundland by the 1986 Royal Commission on Employment and Unemployment, which argued that the informal sector was an important sustainer of social cohesion, even in the face of economic collapse. Recent research carried out on the East Coast of Canada in the wake of the groundfish moratorium, has confirmed the Commission's argument, finding that the informal economy (legitimate economic support networks of kin and community) worked effectively to keep people working productively even when they were not employed. Indeed, these same networks were found to be of significant help in dealing with the stress that surrounded the moratorium that was suffered by rural communities: those who were operating in an informal structure, it was found, had better mental health than those who were restricted to formal economic structures.

80Rosemary E. Ommer, “Sustainability in a Cold-ocean Coastal Environment.”
Discussion and Conclusion

Just as E.P. Thompson was concerned with the ways in which the fundamental restructuring of the Industrial Revolution radically altered peoples’ perceptions of time and, with it, their culture, so we here have been extending his thinking by constructing a long durée vision that sketches the history of the rural informal sector all the way from tribal society to the era of the global economy. This is why we have also extended our analysis by thinking about the perceived importance of place and ecology in non-industrial, as opposed to industrial societies. We should add that this conception of the informal economy, with its place-based diagnostic features of ecological pluralism, kinship, community, and “moral economy,” also has agricultural and urban-industrial equivalents, in which the role of kinship and neighbourliness are vital, as (increasingly in this post-industrial age) is occupational pluralism (although industrially rather than ecologically based in the city) as a strategy to make ends meet.

As Canadian researchers each with a lifetime of study devoted to rural communities, we have become increasingly concerned about the manner in which current global restructuring is fundamentally affecting the capacity of rural societies in Canada (and, by extension, beyond) to exist. We think there is a major systemic shift — as important as that analysed by Thompson, and consequent upon it — now occurring in Canada and elsewhere. More specifically, we think that what we are facing now is a realization of the ultimate implications of the transition from a peasant to an industrial society — its extension to global capitalism. Thompson analyzed the earlier shift for Britain, using time as his intellectual scalpel for laying bare the dysfunctions in the body politic consequent upon the whole-scale adoption of industrial capitalism. Using the time-place features of the informal economy (as we define that here) as our scalpel, we think that at the beginning of the new millennium, we are facing the probable demise of that rural way of life which has survived, albeit often in diminished form, from tribal times to the present day. Moreover, as our ability to enlarge the scale of market capitalism grows, we are faced with attempting to manage our now-global economy as it moves faster and faster down a road which is not in touch with the needs of the economically poorer societies in the world. The state has, in effect, “bought in” to the globalization mystique, and is failing in its function (which Adam Smith required of it) to regulate market system excess.

We are not claiming that life in the informal economy was ever easy. It was not. Nor are we suggesting that the world should go back to some kind of pre-industrial utopia. It could not, and should not. However, we are arguing that there has been put

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into operation in underdeveloped areas of Canada (as elsewhere) an equally romantic industrial development myth which has created wholesale structural change, without due caution. Radical change, as it occurs, needs to be dealt with both cautiously and positively, preserving what is useful at the same time as better ways of survival are developed. Change, that is, needs to go hand in hand with wise application of new emerging principles, and with the equally wise understanding of what was valuable in the older way of life. As Polanyi says, any process of "undirected change, the pace of which is deemed too fast, should be slowed down, if possible, so as to safeguard the welfare of the community." Rate of change, then, is important — allowing those who are penalised to find a way to survive "without fatally damaging their substance, human and economic, physical and moral [and] find new employment in the fields of opportunity indirectly connected with the change." Polanyi would not be surprised that today we are increasingly concerned with environmental destruction, or that we talk about "human resources or intellectual capital.” But we should remember that the great strength of early informal economies — and this is still true to some extent today — was that they were intimately related to nature. They had a more holistic vision than our view of the world, which compartmentalises (for example, Department of ...) and excludes (for example, home economies). Such strengths are now being eroded and destroyed in the face of a global capitalism that rides roughshod over local needs and national social policies: see our opening quotation. There are very few ways, if any, available to local communities to avoid the onslaught of this juggernaut, and it is certainly not within the skill sets of one ethnobotanist and one historical geographer to solve a problem of such dimensions.

It is, however, part of our task to warn of the nature of the impending loss, and its probable consequences, and we are also able to report on at least some of the roles that rural communities envisage for themselves in a global future. How might such community strengths and informal adaptations realize themselves in the real world of the 21st century? The government and the people of rural communities tell us that environmental monitoring and management are desperately needed in an age of environmental damage to ecosystems, both marine and terrestrial. Rural communities insist that such management can, and should, continue to be a function of rural societies, as it had been in the past — even though in more recent times, that wisdom was ignored. Now, however, as national awareness of the need for environmental stewardship begins to be recognized, rural communities are well placed to form a sophisticated partnership with the state which will allow them to provide an essential service for the nation. They can offer an efficient and practical form of stewardship of the environment, given their adjacency to its resources, their need for the wise use of them, and the generations-deep knowledge that they bring to the monitoring of environmental and resource health. Such a strategy would en-

82 Karl Polanyi, The Great Transformation, 33.
83 Karl Polanyi, The Great Transformation, 37
shrine in a practical manner the United Nations principles of precautionary behaviour, geographical adjacency, and stewardship. It would not, of course, provide employment for all, but it would provide part of the basis for community survival and, importantly, a *raison d'être* that would effectively formalize the informal economy, without forcing it to operate at a scale, and in a manner, that is inappropriate.

It is their, and our, contention that these small-scale ecological economies are still possessed of important flexibilities which have in the past, and could still now, enhance community resilience and provide a baseline from which ways forward to the future could be developed. Seasonality, seen as a hindrance by bureaucrats, may be developed as a strength in a pluralist economy which can shift through a range of resources. As government bureaucracies are forced increasingly to think in terms of ecosystem management of resources, such ecologically sensitive economic behaviour comes into its own — if we have the wisdom to appreciate that. However, we will have to face the dilemma that small communities are essential, but cannot position themselves successfully in the marketplace with resources that short-term corporate greed wipes out. Moreover, our cities are over-crowded, and the adjustment costs of out-migration from rural to urban, are more than many can bear, so the argument for closing down small communities makes little sense. Indeed, the Rural and Small Town Programme at Mount Allison University in New Brunswick has many publications which demonstrate the success that such small communities can enjoy, even in the teeth of globalization. We would add that the flexibility that created an ecologically sensitive occupational pluralism in the past could translate in this present global economy to a strategy of flexibility that allows small seasonal businesses to flourish, if the necessary support structures were put in place.

All of this calls for a positive political response but, at intervals from the 1930s until today, that has not been forthcoming. The informal sector, government officials maintain, is too difficult to handle because it is well-nigh impossible to quantify activities that occur in this sector and, in any case, it is small and thus of relative unimportance — an argument that boils down to “since we cannot count it, it does not exist; and, if it did, it would not be very important anyway.” Perhaps this is why,

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84 We are grateful to one anonymous reader for making this point to us, and for us, and we take the liberty of using it here.

85 See www.mta.ca/rstp/pubmain.html for a list of publications which deal specifically with sustainable small communities in Canada.

despite repeated recommendations for developing rural Canada rather than abandoning it, the characterization of rural communities as backward, dependent on state welfare, unable to "help themselves," and thus a burden on the nation's taxpayers, remains the principle rhetoric which is used to refer to them in the public discourse. This is a serious failure of vision, based on an increasingly outdated formulation of classical economics which ignores the broader elements of economic life and therefore misses the importance of such things as social cohesion which, in rural Canada, is amply demonstrated in the operation of kin networks and community solidarity which form the basis of the informal economy.

Most of the intellectual analysis of the informal sector has come from scholars who work in rural areas of very high unemployment, where they are able to appreciate that the informal sector is, quite literally, enabling communities to survive, and where state welfare payments (where these exist) are most accurately thought of as providing — not hand-outs which mean that people do not have to find work — but the necessary and small sums of start-up capital that keep the informal system viable. People insist, accurately, that they are working, even if they are not employed in the formal sector. E.P. Thompson’s argument that a "traditional" informal *modus operandi* is still widespread and important beyond crofting and fishing communities, farming communities, peasant societies, and village and domestic industries, has received too little attention in the literature. We would do well, also, to pay attention to his chronicling of the Black Acts in England, which paved the legal way for enclosures as improving landlords sought to abolish the peasantry’s ancient rights of access to common lands from which they drew such subsistence requirements as firewood and pasturage. The modern informal economy works along similar subsistence lines, outside of formal state recognition, and many of its practices pass into indistinct areas of usage-rights which are asserted in practice but never enrolled in any bylaw. This is deeply unfortunate for a sector that is already difficult to deal with in evidentiary terms, precisely because it operates through established practice and oral tradition. This is where modern scholarship can help, contributing well-documented and accessible explanations of the historical roots, or the continuing vital function, of the informal economy, expressed in language that will assist those involved in the rural policy and planning divisions of government in our industrialised societies. We concur with Hugh Brody when he argues that

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89 E.P. Thompson, *Customs in Common*, 100-84.
To celebrate the qualities of a system, and to identify the many ways in which that system secures a successful relationship between people and their lands, ... is to identify the real, not to perpetuate the romantic. Nor is it romanticism to express concern about a system’s decline, to convey peoples’ dismay about being dispossessed.  

As our rural communities sink deeper and deeper into crisis, it is becoming urgent that Canadians address their survival seriously. It is our contention that the rural informal sector is a vital part of any future potential means of livelihood for our rural people and their small communities, in the developed world as well as around the globe. It makes eminent good sense therefore for Canada to begin to support the development of the informal sector and find ways to incorporate its strengths into the wider economy. This will, in all likelihood, be the most practical and efficient way in which we can generate the local stewardship which we will need if we are to preserve our increasingly endangered environment. It will also protect the culture, way of life, and quality of life of those small communities which hold the historical roots of the northern half of North America within their domain.

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90 Hugh Brody, *The Other Side of Eden*, 146.
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