

INDIVIDUAL AND SOCIAL
ADAPTATIONS TO HUMAN
VULNERABILITY

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RESEARCH IN ECONOMIC ANTHROPOLOGY VOLUME 38

INDIVIDUAL AND SOCIAL ADAPTATIONS TO HUMAN VULNERABILITY

EDITED BY

DONALD C. WOOD

*Department of Medical Education,
Akita University School of Medicine,
Japan*



United Kingdom – North America – Japan
India – Malaysia – China

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INVESTOR IN PEOPLE

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ABOUT THE AUTHORS

Kari B. Henquinet is a Cultural Anthropologist (PhD, Michigan State University) and Senior Lecturer in the Department of Social Sciences, Michigan Technological University. She has worked on numerous research projects focused on international development, including ethnographic work in Niger, historical work on World Vision, and collaborative, interdisciplinary projects on disaster risk reduction and agriculture. These projects examine vulnerability, women's rights, gender and development, genealogies of international development, and production of knowledge in international development organizations and among their interlocutors. Henquinet is also the Director of two university-Peace Corps partner programs at Michigan Tech and deeply engaged in a variety of other international education and service-learning initiatives on campus through her joint appointment in the Pavlis Honors College.

Megan B. Hinrichsen is an Assistant Professor of Anthropology at Monmouth College in Monmouth, Illinois. She also coordinates Monmouth College's programs in Global Food Security and Peace Corps Preparation and teaches courses in Latin American Studies and Global Public Health. Her research focuses on the impacts that social and economic life have on health, nutrition, and overall well-being in Latin America, particularly Ecuador, and the United States. She received her PhD in Medical Anthropology from Southern Methodist University in 2015.

Courtney Lewis is an Assistant Professor of Anthropology at the University of South Carolina, jointly appointed at the Institute for Southern Studies, whose work focuses on Native Nation economic development and issues of economic justice, with a current emphasis on entrepreneurship. She has a BA in Economics from the University of Michigan, an MA in Economics from Wayne State University, and a PhD in Anthropology from the University of North Carolina-Chapel Hill. She is the author of *Sovereign Entrepreneurs: Cherokee Small Business Owners and the Making of Economic Sovereignty* (2019, with the support of the National Science Foundation) and a citizen of the Cherokee Nation.

Sarah Lyon is an Associate Professor of Anthropology at the University of Kentucky. She is the author of *Coffee and Community: Maya Farmers and Fair Trade Markets* (2011), the winner of the Society for Economic Anthropology's Book Prize, and the co-editor of *Fair Trade and Social Justice: Global Ethnographies* (2010). Sarah is currently conducting ongoing research on coffee, gender, economic development, and the impact of certification and quality

standards in Mexico. At the University of Kentucky, Sarah teaches courses on Economic Anthropology, Business Anthropology, Ethical Consumption, and Globalization. She is the Editor-in-Chief of *Human Organization*.

Daniel Murphy is an Associate Professor of Anthropology at the University of Cincinnati. He completed his doctoral degree in anthropology at the University of Kentucky and a postdoctoral research fellowship in the College of Forestry and Conservation at the University of Montana. His research explores the political ecology of disaster among Mongolian pastoralists and has published in *Economic Anthropology*, *Peasant Studies*, *Anthropological Quarterly*, and *Nomadic Peoples* as well as chapters in edited volumes. He also conducts collaborative research sponsored by the United States Forest Service on forest planning and community vulnerability to climate change.

Elena Sischarenco is an Associate of the Centre for Cosmopolitan Studies of the University of St Andrews, Scotland, where she previously received her PhD in Social Anthropology. She also coordinates the methodological seminars in the course of Cultural Anthropology at the University of Bergamo. Her research interests go beyond the anthropology of business, and she previously published on informal relations and trust – *It is all a Matter of Trust: Polish Migrant Women in Italy* (2011). She has investigated themes such as knowledge, personal and group identity, corruption, media discourses and perceptions, vulnerability, and economic crisis. She is now preparing a monograph on her research on entrepreneurs in the construction business in Northern Italy.

Serge Svizzero is a Professor of Economics in the Faculty of Law and Economics at the University of Reunion Island (France) since 1998. He has a PhD in Economics from the University of Nice Sophia-Antipolis (1994). He has published books and articles in academic outlets mainly related to economic globalization, macroeconomic analysis, economic history, and economic anthropology. During the last five years, his research has focused on the economic analysis of prehistoric societies, and more specifically on the neolithization process. He was a Vice Chancellor of the University of Reunion Island (2004–2008) and a Deputy Director of International Affairs in the French National Research Institute for Development (2009–2011).

Raja Swamy is an Assistant Professor of Anthropology at the University of Tennessee and a core faculty member of the Disasters, Displacement, and Human Rights Program. He earned his PhD in Anthropology at the University of Texas at Austin and is presently working on his first book based on his dissertation research. In this work, Swamy investigates the impact of the 2004 Indian Ocean Tsunami on economic development priorities in India's Tamil Nadu state. Exploring the contradictory outcomes of humanitarian agendas subordinated to the demands of a World Bank-financed and state-led reconstruction project, this work attempts to bridge the gap between political ecology and disaster studies by drawing upon an ethnographic study of displaced and resistant artisanal fisher communities thriving on the margins of India's globalizing

economy. He is currently conducting research for an NSF-funded study of the impacts of Hurricane Harvey on the problems of toxicity and gentrification afflicting marginalized minority populations in Houston, Texas.

Clement Tisdell is a Professor Emeritus in Economics at The University of Queensland and a Fellow of the Academy of Social Sciences in Australia. His diverse interests include the socioeconomic functioning and development of ancient economies. His most recent book is *Economics and the Environment: The Challenges We Face* (2017). Currently, he is preparing a book manuscript on gender inequality.

Janneke Verheijen works as Postdoctoral Project Fellow at the Amsterdam Institute for Global Health and Development (AIGHD). She received her PhD degree in Medical Anthropology at the University of Amsterdam with an in-depth ethnographic study of the interrelations between extreme poverty and women's HIV risk-taking in rural Malawi. Prior to undertaking this PhD research, Janneke worked at an agricultural research institute in Malawi that aims to fight food insecurity among smallholder farmers. She furthermore conducted and published about ethnographic fieldwork in Guatemala on the impacts of a village's recent connection to the electricity network, among others on gender norm perceptions. Janneke is the author of *De nieuwkijkers van El Remate: Vrouwen en soaps in de Guatemalteekse jungle* (2005) and *Balancing men, morals and money: Women's agency between HIV and security in a Malawi village* (2013).

Lai Y. Wo is a Doctoral Student in the Department of Anthropology at the University of Michigan. She received her MPhil at the Chinese University of Hong Kong. Her research focuses on gendered migration, intimacy, and vulnerability.

Donald C. Wood is an Associate Professor in the Graduate School of Medicine, Akita University, Akita, Japan, where he has worked since completing a doctoral degree in Cultural Anthropology at the University of Tokyo in 2004. Prior to that, he studied Anthropology under Norbert Dannhaeuser at Texas A&M University. He spent more than 15 years researching social conditions at the Hachirogata reclaimed land area in Akita Prefecture, which culminated in the publication of *Ogata-Mura: Sowing Dissent and Reclaiming Identity in a Japanese Farming Village*, by Berghahn Books (NY) in 2012 (released in paperback in October, 2015). He has also investigated tourism and the effects of depopulation in the Akita region and was a contributor to the edited volume, *Japan's Shrinking Regions in the 21st Century* (Cambria, 2011). Recently, he has been conducting ethnohistorical research in northeastern Japan and contributing articles to *Kyoto Journal*.

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INTRODUCTION: INDIVIDUAL AND SOCIAL ADAPTATIONS TO VULNERABILITY

Donald C. Wood

This volume of *Research in Economic Anthropology* celebrates the series' 40 anniversary by tackling an issue of universal anthropological interest, but one that has never before been the main theme of an REA volume. That issue is vulnerability. Here, 10 peer-reviewed anthropological papers commonly concerned with this important human issue come together to explore its essence, causes, effects, continuity, and possible mitigating factors.

In some ways, by focusing on vulnerability, this volume expands on recent Society for Economic Anthropology (SEA) explorations of risk and resilience, which the SEA undertook in the form of its 2016 annual meeting and also in an analogous issue of *Economic Anthropology*, published the following year. Vulnerability is, however, more of an underlying situation that influences attitudes toward risk and helps to determine levels of resilience. "Variable and harmful situations are omnipresent in human experience and in the natural world," as Tucker and Nelson remind us in their introduction to the above-mentioned SEA volume (2017), and these situations, over which people have different levels of control, influence vulnerability. Unlike the case with risk, one can rarely choose how vulnerable they would like to be to the kinds of situations to which Tucker and Nelson refer. In general, it can be said that the papers in this volume (to varying degrees) work from a focus on vulnerability back toward the ways in which individual actors and societies deal with risk. Resilience emerges from these interactions.

The first two papers in the present volume share a strong concern with micro-finance, which has been much lauded by proponents – but also much scrutinised by researchers – in recent years. First, Daniel Murphy examines the influences

of microcredit in the lives of pastoralists in Mongolia, a region that has been held up as a microfinance success story, perhaps erroneously. By comparing conditions facing, and strategies pursued by, herders in two geographic locations, he identifies a cycle of borrowing and loan repayment that functions in very different ways – as a kind of vulnerability amplification trap in one place but as a vehicle for capitalistic opportunism in the other. Key factors include environmental conditions and market accessibility. Murphy’s research suggests a need for greater synchronicity between microcredit schemes and (better-planned) development efforts.

Next, Megan Hinrichsen explores the roles that microfinance plays among vendors in Quito, Ecuador. She argues that microfinance echoes the neoliberal ideologies that inform it – by emphasizing individual responsibility and lessening the state’s liability – and that it tends to take the form of “well-intentioned debt” within a cycle of vulnerability, poverty, and microentrepreneurship. Hinrichsen finds that households she studied tend to become dependent on microfinance, which magnifies their vulnerability. Again, the potential for microfinance (and the services it provides) to improve the lives of people living on the margins is not contested, but its exaltation as a panacea is, especially if underlying structural problems remain unaddressed.

Subsequently, Elena Sischarenco takes a decidedly humanistic look at ways of dealing with vulnerability – specifically, feelings of fragility – among entrepreneurs and business leaders in the northern Italian construction industry. In a shrinking and unstable market dominated by relatively small businesses, Sischarenco’s informants reveal striking senses of dispossession and also disorientation – powerlessness, even – with regard to the environment in which they have managed to survive. They are shown, in general, to conceptualize their “daily vulnerability” as it relates to bureaucratic encumbrances, the vicissitudes of the banking industry, and their own responsibilities to their employees and others. We see that they have coped with their fragility at least in part through the formation and maintenance of personal relations grounded in feelings of trust.

The fourth paper steers the volume’s attention back to Latin America; Sarah Lyon takes a close look at vulnerability among small-scale Oaxacan coffee farmers. She finds that uncertainties faced by these smallholders stem largely from historical and environmental factors and are exacerbated by market fluctuations and ever-changing corporate and consumer demands beyond their control. Not to be ignored are the effects of climate change, which boost weather inconsistencies that make it harder for producers to remain proactive, thereby increasing their susceptibility. Lyon finds that although fair trade associations can help protect small-scale farmers to a degree, as they struggle to cope with neoliberal trends such as diminishing state support and a range of other stressors, these organizations must constantly adjust to changing local conditions if they are to serve their intended purposes.

Rounding out the first half of the volume is Raja Swamy’s analysis of post-tsunami reconstruction in Tamil Nadu, India, which sheds light on ways in which the state formulated an official concept/version of “vulnerability”

grounded in preexisting social inequalities and employed this to relocate artisanal fishers in order to “open up” the coast, which generally magnified prior disparities. Moreover, through a careful consideration of the situation as seen through the eyes of the artisanal coastal fishers, Swamy identifies strong incongruities between the fishers’ perceptions of themselves as not only contenders for coastal and marine resources but also custodians of these, and the state’s view of them as problematic barriers to modernization and business development. Swamy’s analysis reminds us of the fact that very complex conditions, and relationships between individuals and societies and the state, often underlie situations that are academically recognized as exhibiting vulnerability and that the term itself is often hotly contested.

The second half of the volume begins with two papers that focus on ways in which vulnerable women in different geographic locations seek security. First, Janneke Verheijen ethnographically investigates women’s survival strategies and the nature of cash flows (centring on women) in an extremely poor rural village in Malawi, southeast Africa. Verheijen presents a case in which, despite their severe impoverishment, women normally spend cash quickly rather than try to hoard it. This behavior emerges as one facet of their overall range of strategies employed to establish security for themselves and their (younger) children – strategies grounded in a recognition of the importance of social relations over the possession of material wealth. Verheijen’s paper recalls (without resurrecting the formalist-substantivist debate) the arguments of many researchers to-date that have pointed to the intrinsically moral and social nature of “economic” transactions and values, and discussions of the nature and value of the “social capital” concept. Importantly, it should serve as a guide for macroeconomists and others who often fail to realise that success and wealth are not always measurable by the same yardsticks. And next, Lai Wo scrutinises vulnerability within intimate relationships and transactions between Western men and Southeast Asian women in Hong Kong. Eschewing a focus on health risks or on violence against women, Wo teases out nuances in the operation and embodiment of vulnerability in this particular environment, where men attempt to exercise what power they can and where many of the women – officially employed as domestic workers – are under pressure to send remittances to families back home in parts of Southeast Asia. She reveals a situation in which the (obviously more vulnerable) women manage to take advantage of men’s vulnerabilities in a highly volatile exchange environment.

In the eighth paper of the volume, Courtney Lewis explores an attempt to establish political and economic sovereignty among the Eastern Band of Cherokee Indians in North Carolina, USA, in the wake of the Great Recession. Importantly, she demonstrates that although realizing economic *power* is necessary for achieving economic sovereignty, the latter does not necessarily result from the former. And more significant to this particular volume of REA is Lewis’ assertion that for an indigenous community to attain the former without successfully building the kind of diversified economy (complete with healthy small businesses) that gives rise to and maintains the latter may actually be detrimental to said community. The author illustrates related processes with evidence

from other studies and from her own ongoing fieldwork. To summarize the core of her argument with regard to the Native Nations: a large casino enterprise that is successful on paper still has the potential to increase community vulnerability in the absence of true economic sovereignty.

Last, the volume turns to the past with Kari Henquinet's examination of the evolution of American faith-based overseas development-aid projects in the twentieth century, and Serge Svizzero's and Clement Tisdell's analysis of Early Bronze Age gazelle-trapping desert kite use in parts of Southwest Asia. First, Henquinet traces the roots of evangelical aid programs, with a special focus on one organization in particular, demonstrating that these stretch back relatively far into the recent history of the USA and that they have been tightly intertwined in many cases with Cold War ideology. Importantly, Henquinet's paper echoes two major take-home points of Megan Hinrichsen's paper that helped to open this volume – a tendency for outside interventions to (1) reflect neoliberal values that inform them and (2) increase vulnerability in many instances. Last, Svizzero and Tisdell offer a number of possible explanations for the widespread use of desert kites (walled traps) during their period of concern, including regional socioeconomic development and market accessibility. Although speculative, Svizzero and Tisdell's analysis suggests that kite use may have been very useful in coping with vulnerability in a changing world.

As noted at the beginning of this introduction, concern with vulnerability is nothing new for REA. A number of papers appearing in the series in recent years have directly addressed the issue, ethnographically and theoretically (e.g., Kwiatkowski, 2007; Majejowsky, 2015; West, Roncoli, & Yakam, 2016). Many others – too many to mention here – have also done so less directly. This is also not the first time for REA to work in a complementary manner with the SEA; two papers (Johnson, 2017; Zwissler, 2017) carried in REA 37 were initially presented at the 2016 SEA conference on risk and resilience. The present volume, however, takes REA into new territory by seeking (through the lens of economic anthropology) to shine new light on the complexity of the human condition of vulnerability – which all people share to a degree – and to advance the academic study of this complex and critical issue in new and exciting directions. It is hoped that this has been achieved. Finally, looking ahead, Volume 39 of REA, edited by Peter Luetchford and Giovanni Orlando, will focus on just prices. It will seek to answer questions about the formulation of fair prices in economies and in economic transactions, for example, in a range of ethnographic settings and from a variety of academic perspectives.

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“WE’RE LIVING FROM LOAN-TO-LOAN”: PASTORAL VULNERABILITY AND THE CASHMERE-DEBT CYCLE IN MONGOLIA

Daniel J. Murphy

ABSTRACT

This paper explores the emerging articulations between microfinance and live-stock production cycles among Mongolian pastoralists in contexts plagued by disaster and commodity market fluctuations. Ethnographic investigations of household production and vulnerability in two rural districts of eastern and western Mongolia demonstrates that both poor and wealthy households have become ensnared in a cashmere-debt cycle but that the bifurcation of live-stock asset trajectories between large and small herds has also fostered diverse financial and herd management strategies that further exacerbate existing inequalities.

Keywords: Pastoralism; vulnerability; microfinance; disaster; livelihoods

INTRODUCTION

In recent years, key issues in rural Mongolia have captured international headlines including the massive increase in cashmere goat numbers and resulting overgrazing (Berger et al., 2013; Liu et al., 2013; Ng & Berger, 2017), the widespread indebtedness of Mongolians on both national and individual scales (Hornby, 2016), and the dzud disaster in 2010, a catastrophic winter event in which 10 million of 40 million head of livestock perished in a matter of months. Commentators and scholars have suggested that these events are in fact deeply

entangled in pastoral regions of the country (Sneath, 2012), but little research has explored their connections at the household level. As a response, this paper uses ethnographic and household survey data to examine the emerging articulations, at the household level, of microfinance and livestock production cycles among Mongolian pastoralists in contexts differentially exposed to dzud disaster and commodity market fluctuations. The article argues that by tracking herd dynamics through herd growth and loss, it is possible to uncover how these linkages are shaped by household vulnerability and the ways in which minimum herd thresholds can constrain pastoral livelihoods. Results of the research describe what could be called the “cashmere-debt cycle,” the shift in herd management toward cashmere production as a means to repay loans or the use of loans to smooth income. Yet, the research also describes clear differences in the use and function of the cashmere-debt cycle depending on exposure to dzud risk and market conditions. In Uliastai, a district with high dzud risk and poor market access, households have become ensnared in the cashmere-debt cycle, as loans temporarily allow them to weather such booms and busts but amplify their long-term vulnerability. In Uguumur, a district with low dzud risk and excellent market access, the cashmere-debt cycle represents, increasingly, an opportunity to engage in livestock speculation and nonpastoral investments. Consequently, the article argues in conclusion that these findings should refocus pastoral development efforts on disaster risk management and sustainable regional market development.

LITERATURE AND BACKGROUND

Mongolia is often cited as being one of the most successful cases of microfinance implementation in the world with the growth and profitability of “herder loans” (*malchnii zeel*). Moreover, it is also one of the few pastoral regions in the world where mobile herders are specifically targeted for loans and other financial products like index insurance (Taylor, 2016). However, scholars note a number of potential problematic impacts of this widespread adoption of debt (Empson, 2014, 2016; Marin, 2008; Waters, 2016). Sneath (2012), in particular, has argued that these financial products create a perverse cycle whereby herders utilize loans to smooth income streams from cashmere production, thereby increasing and deepening dependencies on debt. Here, I refer to this as the “cashmere-debt cycle.” The simultaneous explosion in goat herds since decollectivization (from less than 20% of the national herd in the early 1990s to over 50% in recent years), rising percentage of herder income derived from cashmere (approximately 70–80% in some regions according to Addison & Brown, 2014), and substantial growth in the number and volume of loans provide support for this.

Yet, little research has explored how such dependencies and divergent strategies might operate at the household level. For instance, Janes and Oyuntsetseg (2016) have hypothesized that loans might not only smooth income from year to year but also might be used by wealthy herders to “garner the capital necessary to invest in productive assets,” but there has been no research demonstrating that this is, in fact, the case. Moreover, there has been little exploration of the wide variations in pastoral production across the ecologically and culturally