

A human economy for the twenty-first century

A New Commonwealth — Ver 5.0

Keith Hart

November 30, 2009

Contents

Our moment in history 3
The idea of economy 5
Why a human economy? 7
Capitalism 8
On economic universals 11
Conclusion: the economy is always plural 12

Our moment in history

Magellan's crew completed the first circumnavigation of the planet some thirty years after Columbus crossed the Atlantic. At much the same time, Bartolomé de las Casas opposed the racial inequality of Spain's American empire in the name of human unity. We are living through another 'Magellan moment'. In the second half of the twentieth century, humanity formed a world society – a single interactive social network – for the first time. This was symbolized by several moments, such as when the 60s space race allowed us to see the earth from the outside or when the internet went public in the 90s, announcing the convergence of telephones, television and computers in a digital revolution of communications. Our world too is massively unequal and the voices for human unity are often drowned. Emergent world society *is* the new human universal – not an idea, but the fact of our shared occupation of the planet crying out for new principles of association. The task of building a global civil society for the twenty-first century, perhaps even a federal world government, is an urgent one.

The failure of the New York investment bank, Lehman Brothers, in September 2008 triggered a financial collapse whose ramifications are still with us. Predictions of the outcome of the ensuing global economic crisis vary widely. Following a sustained equities rally in mid-2009, some commentators now argue that the recession following Lehman's demise is already over and the free market ready to assume its inexorable rise, while others talk of a double dip recession, persisting debt deflation and a recovery that could take 25 years.

From the beginning this crisis has invited speculation about the closest analogy in the twentieth century to our current experience. Most commentators were sure at first that we were entering a period unprecedented since the Second World War. Roosevelt, Keynes and the other principals of the Great Depression became familiar figures on the oped pages. Was 2008 like 1929? No. More likely, 1931 or 1933; some said 1938. Which was the greater threat, inflation or deflation? Cue in the history books once more, since deflation had been unknown since the 1930s. These comparisons lacked an overview of what led up to the Great Depression, namely three decades of financial imperialism that ended in 1913 with what Churchill called 'The second thirty years war' as its aftermath. No, world war is not now thought to be likely; but, after three decades of neoliberal globalization, when the science of free markets ruled for ever, the shock of the 'credit crunch' certainly renewed the interest of the chattering classes in history. Then suddenly the apparent recovery of stock prices emboldened even bailed out bankers to sing the praises of the market once more.

A break in economic history *did* occur in 2008. After the fall of the Berlin Wall, it was claimed that the world had entered a new stage of economic evolution to which all countries would eventually have to conform, where money flowed without political restriction and the market penetrated everywhere. There were a few doubters, of course, who identified the shaky foundations of the boom long before it crashed. But it took

courage then to go against the prevailing orthodoxy that all was best in the best of all worlds. What happened next did change a lot, if not everything.

Economic growth can now be seen to have been sustained by a regime of cheap consumer credit, especially in the United States; many banks and other financial houses, notably the insurance giant AIG, exposed themselves to unacceptable levels of risk, particularly in the new market for credit derivatives; these became 'toxic assets' which were bought by taxpayers at huge cost in order to preserve the banking system as a whole; access to loans dried up overnight, despite these government subsidies; the leading exporters of manufactures, such as China, Germany and Japan, suffered massive reductions in demand for their products; the newly 'liberated' Eastern Europeans went into free fall, as did countries like Ireland (hitherto a 'Celtic tiger') and Spain, not to mention poor Iceland; despite governments printing money like there was no tomorrow, the threat of deflation was real; business bankruptcies and rising unemployment contributed to the economic malaise in rich and poor countries alike.

The economy, which had been understood as an eternally benevolent machine for growth, was suddenly pitch-forked into the turmoil of history. The market was now seen to require massive state intervention if it were to have any chance of surviving. The financial 'masters of the universe' quickly brought out the begging bowl and in some cases had to suffer nationalization. Anglophone governments who once claimed to be leading the world to a free market future, desperately embraced remedies they called 'Keynesian', incurring the risk of hyperinflation if the bond market collapsed. The French 'social model' suddenly looked a lot better than it had before, not least to its ex-Thatcherite president, Nicolas Sarkozy. After the dust settled, the so-called 'emerging markets', particularly China, India and Brazil, were seen to be doing not as badly as once feared. The global shift of economic power from the West to Asia has probably been accelerated by these events. It is all rather murky, but even at the best of times the present is like that.

Whatever place the 'credit crunch' eventually finds in economic history, one certain victim of the crisis has been free market economics. It is impossible any more to hold that economies will prosper only if markets are freed from political bondage. Attacks on the economists by politicians and journalists have become commonplace. Even the Queen of England asked publicly why none of them saw it all coming. The ideological hegemony of mainstream economics, especially since the 1980s, has been holed below the water. This is not to say that the free marketers have been silenced, but public acceptance of the notion that the economy is social, institutional and in need of political guidance is now commonplace. And Karl Marx, after being sidelined for decades, is once again a best-seller in Germany. All of this suggests to me that the crash has opened up a new terrain for thinking about anthropology, economics and history.

The idea of economy

For millennia, economy was conceived of in domestic terms. Then, when markets, money and machines began their modern rise to social dominance, a new discipline of political economy was born, concerned with the public consequences of economic actions. For over a century now, this discipline has called itself economics and its subject matter has been the economic decisions made by individuals, not in their domestic capacity, but as participants in markets of many kinds. People as such play almost no part in the calculations of economists and they find no particular reflection of themselves in the quantities published by the media.

What might be meant by the term ‘economy’? English dictionaries reveal that the word and its derivatives have a number of separate, but overlapping referents: 1. Order, management; 2. Efficient conservation of resources; 3. Practical affairs; 4. Money, wealth; 5. The market. These meanings refer to a wide range of social units. The Greek word *oikonomia*, as defined by Aristotle, the well-known apologist for Macedonian imperialism, referred to the imposition of order on the practical affairs of a house, usually a manorial estate with its slaves, animals, fields and orchards. Economic theory then aimed at self-sufficiency through careful budgeting and the avoidance of trade, where possible. The market, with its rootless individuals specialized in money-making, was the very antithesis of an economy that aimed to conserve both society and nature. So in origin ‘economy’ emphasized the first three above while focusing on the house as its location. This ideal persisted in Europe up to the dawn of the modern age.

The economy has moved on in the last 2,500 years and especially in the last two centuries. Adam Smith’s intellectual revolution switched attention from domestic order to ‘political economy’ and especially to the functioning of markets. Two things happened next. First, the market was soon dominated by firms commanding massive resources, a system of making money with money eventually named as ‘capitalism’ by Werner Sombart. Second, states claimed the right to manage money, markets and accumulation in the national interest; and this is why today ‘the economy’ usually refers to the country we live in. I call this synthesis ‘national capitalism’ and it has been the dominant social form in our world for over a century.

The question of world economy has encroached on public consciousness of late; and almost any aggregate from associations of states like the European Union to localities, firms and households may be said to have an ‘economy’. In the process, ‘economy’ has come to refer primarily to the money nexus of market exchange, even though we retain the old meaning of making ends meet, of efficient conservation of resources. So the word contains within itself this historical shift. But that isn’t all. It is by no means clear whether economy is primarily subjective or objective. Does it refer to an attitude of mind or to something out there? Is it ideal or material? Does it refer to individuals or to collectives? Perhaps all of these — in which case, we need to explore the links between them. Moreover, if the factory revolution shifted the weight of economy from agriculture to industry, the economy now takes the primary form

of electronic bits whizzing around cyberspace. It is still an urgent priority to secure provision of material necessities for the world's poor; but for a growing number of people a focus on economic survival no longer makes sense, even less withdrawal from the market. The confusion at the heart of the concept reflects not only an unfinished history, but also wide differences in contemporary economic experience.

One way of cutting through this confusion would be to retain the original definition of economy while applying it to a world shaped increasingly by markets. 'Economy' means putting one's house in order, both practically and figuratively. Are markets compatible with that notion or should the two be seen as inevitably opposed or at best complementary? In other words, what might the phrase 'market economy' mean, if it is not an oxymoron? This has the advantage of reminding us of the centrality of kinship in society. If coping with the world at large requires each of us to be highly self-reliant, we enter it as members of households and base our most intimate and long-term strategies for life on them. The idea that social structures are reproduced through ordinary human outcomes of birth, copulation and death reinforces a focus on the 'householding' dimension of economic order.

Where Aristotle went wrong was in imagining that houses could aspire to a condition of autarky, detached from markets drawing them into ever-widening circuits of interdependence with the rest of the world. Thrift may be a useful virtue; but self-sufficiency is a practical impossibility. Economic history could then be seen as a process whereby the house was subsumed under more inclusive social units (kingdom, city, nation, world), where its principles of order took on new meaning in larger-scale applications. Thus manorial estates, monasteries, temples and palaces were all ways of extending the house principle to the larger society and each were crucibles of innovation in economic ideas and practices from which modern institutions still draw. If the natural theology of Aquinas and the medieval schoolmen made 'economy' a divine principle of cosmic order, the cities that grew up in the interstices of feudal society sponsored their own 'bourgeois' phase of economy. Later the nation-state became the main vehicle for economy; and only recently has the world economy become something more than a figure of speech.

The dynamic force pushing out the boundaries of society was the market, with warfare and religion also playing their part. There surely has to be more to it than a straight choice between controlling the market in the name of society and conceiving of the market as society's sole means of development. Whereas Polanyi thought that markets could only serve society if subjected to non-market principles, Mauss believed that human aspirations for social justice could best be achieved through self-organized market expansion and not despite it. This philosophical argument is being played out right now in the argument over healthcare in the United States, where the issue is whether or not the state is indispensable to economic democracy.

Why a human economy?

What matters in this world are people, machines and money, in that order. Anthropologists aim to produce an understanding of the economy that features people, in at least two senses. First, we are concerned with what people do and think, as workers or consumers in economies dominated by large-scale organizations and when left relatively free to be self-organized as farmers, traders, managers of households or givers of gifts. Second, our interest is in the universal history of humanity; and our examples are drawn from all over the world. Somehow we have to find meaningful ways of bridging the gap between the two. Whereas anthropologists once studied stateless peoples for lessons about how to construct better forms of society, twentieth-century ethnographers no longer sought to change an impersonal world of state bureaucracy, capitalist markets and science from which they were probably as alienated as everyone else. Of course, people continued to express themselves where they could – in domestic life and informal economic practices. But the three most important components of modern economy – people, machines and money – were not properly addressed by the economists. In *Capital*, Marx expressed humanity's modern estrangement by making abstract value (money) organize production, with the industrial revolution as its instrument and people reduced to the passive anonymity of their labour power. He aimed to reverse this order of priority and so should we. A human economy then should be informed by anthropology in its most inclusive sense.

The object of an economy is the reproduction of human life and beyond that of the non-human life that sustains us. But for some time now the object of economy has been to make money through producing and selling things, with human life secondary, a means to that end. Economics, which ought to be a science for human emancipation, has become a dehumanized expert ideology remote from people's practical concerns and from their ability to understand. What human universals might underpin the search for a better world? Ethnographers showed that *homo economicus*, the practice of buying cheap and selling dear, was not only absent from many societies, but revealed as a shabby and narrow-minded successor to a world the West had lost. But we ought to be able to do better than that by now.

Humanity is a collective noun – all the people who have ever lived, live now and will live in future; it is a quality of kindness, of treating all people as if they were like ourselves; and it is a historical project for our species to assume stewardship of life on this planet, since we are the part of life that can think. That means pursuing democracy as a universal political principal and valuing science as a means of acquiring the knowledge needed for that task. The idea of economy is central to the project of installing truth and justice in the world; and it took its modern form in the eighteenth century enlightenment that gave birth to the democratic revolutions and to anthropology as one of their instruments. The culmination of classical liberalism was the late work of Immanuel Kant on moral judgment, cosmopolitics and anthropology.

An essay of 1784, ‘Idea for a universal history with a cosmopolitan purpose’ included the following propositions:

1. In man (as the only rational creature on earth) those faculties concerned with the use of reason will be fully developed in the species, not in the individual.
2. The means of the development of all faculties is the antagonism of men in society, since this antagonism becomes, in the end, the cause of a lawful order of this society.
3. The chief problem for mankind is the achievement of a civil society which is capable of administering law universally.
4. This problem is both the most difficult and the last to be solved by mankind.
5. A philosophical attempt to write a universal world history which aims at perfect civic association of mankind and accords with nature is both possible and necessary.

Our world is much more socially integrated than two centuries ago and its economy is palpably unequal. Histories of the universe we inhabit do seem to be indispensable to the construction of institutions capable of administering justice worldwide. The task of building a global civil society for the twenty-first century is an urgent one and anthropological visions should play their part in that. In looking for twentieth-century antecedents for such a project, I have taken inspiration from the great intellectuals of the anti-colonial revolution, above all from Frantz Fanon (for his prophetic reflections on the Algerian revolution), CLR James (whom I consider to be my mentor) and Mohandas K Gandhi (whose politics was formed during his 20-year stay in the place I have made my second home, Durban). This movement was driven by the aspiration of peoples forced into the world society by western imperialism to make their own independent relationship to it. These intellectuals did not repudiate the legacy of the Enlightenment, only its perversion by Empire as a system of racial exclusion, a matter in which the classical philosophers were themselves implicated. In the process the anti-colonial intellectuals made the original project more inclusive, more human. And I take my lead from them.

Capitalism

The elephant in the room is of course ‘capitalism’, the name we have for the economic engine that has driven the transformation of human occupation of the planet for the last two centuries. Most economists equate capital with ‘the stock of goods that are used in production and are themselves produced’. They tend to stress the

notion of *sacrifice*, the withdrawal of goods from immediate consumption, and the enhanced productivity of factors other than labour in which the capitalist has invested. This might just make some sense in an industrial economy where wealth comes most reliably from investment in mechanizing production. But many forms of capital accumulation do not necessarily involve physical plant (banking and trade, for example) and the broader usage tends to confuse money with machines by representing capital as a thing (that is, as *real*) and mystifying the social relations involved. One problem with the economists' definition is that it cannot cope with the financial crisis of our day.

I take capitalism to be that form of market economy in which the owners of large amounts of money direct the most significant sectors of production with a view to making more money. For a time and perhaps still, the most reliable way of making money with money was to raise the productivity of labour through investment in machines. For Marx, modern capitalism was that form of making money with money in which free capital was exchanged with free wage labour. So he sought to account for how people's capacity to work was freed from the legal encumbrances of feudal agriculture and for the release of funds for investment in new forms of production. Adam Smith had related profit levels to reduced costs achieved through raising the efficiency of workers; and he identified specialization and division of labour as the best way of doing this. Marx's great discovery was that this logic led to the introduction of more and better machines to the production process. It was one of Marx's aims to demonstrate that wage slavery under capitalism was fundamentally similar to feudal serfdom. The most primitive type of industrial capitalism, therefore, is one in which the feudal approach is transferred to the industrial system of wage labour. We might call this 'sweatshop capitalism'.

Max Weber did not disagree with Marx's account, although for him property relations were less important than for most Marxists; he just felt that it did not go far enough. Agrarian societies and their urban enclaves had always relied on traditional certainties when organizing their economies; that is, they tended to repeat what they had done in the past. Hence society and technology were relatively stagnant during the agricultural phase of human history. He surmised that a massive cultural revolution must have been necessary to persuade people to place their economic lives in the hands of capitalists whose principal orientation was to uncertain future profits. It followed that capitalism should be conceived in terms that were not just narrowly economic, but political, even religious as well. For Weber, capitalism was an economic system based on *rational enterprise*. Both of these words were carefully chosen. Enterprise is something undertaken with a view to future profit. How could whole societies commit their livelihood to the uncertainties of enterprise? If Marx successfully linked capital accumulation to machines and the wage-labour system, Weber's emphasis on rationality and religion helps us to see developments in the system of money and markets as a cultural revolution.

There is a tendency among its proponents and opponents to grant capitalism a singular dominance that obscures the plural character of economic arrangements everywhere. If Marx argued that capitalism replaced feudalism and socialism or communism would in time replace capitalism, Hegel took the same triad and suggested that family (natural economy), urban commerce and the state needed to be combined for the benefit of all. For some time, radicals have postulated a utopian alternative to ‘late capitalism’, conceiving of this alternative as anti- or post-capitalism. This lumps together many features of economy today as somehow governed by the capitalist principle, when they might be differentiated from it.

I am not anti-capitalist for several reasons. First, it does not seem to me that capitalism has yet fulfilled its historic task of bringing cheap commodities to the masses and undermining the insularity of traditional communities. Second, when the grip of America and Europe over world economy is for the first time being loosened by a genuine globalization of capital accumulation in places like India, China and Brazil, anti-capitalism could become the defense of white privilege in drag. Third, If Locke and Marx envisaged capitalism as a transitional phase between landed reaction and a future just society, we have to figure out where we are in that process and I think not all that far. Premature anti-capitalism leads to some nasty versions of social control (but then so does capitalism). Fourth, in much of Africa, the Middle East and Latin America, people languish under varieties of the Old Regime and are ripe for a liberal revolution. This has usually involved some fractions of capital allied with progressive popular movements. Fifth, I never heard of a popular social movement with the capacity to launch communications satellites or to run a modern health service. So sixth, I would not wish to be against all capitalist firms. Some could be useful to a progressive movement, while others are only concerned with developing neo-feudal monopolies. Finally, we tend to lump together the separate parts of a totality such as the United States and call them all ‘capitalism’. Capitalism’s friends and enemies alike tend to make it far more effective and all-encompassing than it really is.

Of course, a good case can be made that corporate capitalism is responsible for some of the central contradictions of world society and I have done so in my small book, *The Hitman’s Dilemma*. The most obvious of these is the conflict over intellectual property rights. I am also keen on researching and developing non-capitalist alternatives to contemporary economic forms. This is why I spend time on community currencies and have a yen for the kind of anthropology that seeks out the self-organized activities of people everywhere. But I think that political strategy and tactics depend a lot on figuring out how much hope we can place in such initiatives. More than anything, I resist the move from anti-capitalism to anti-liberalism. This is easy given the neo-liberal moment we live in, but it misses a lot of what the struggle for human emancipation is all about. Since a case can be made for world society in its present form as an Old Regime, rather than take on capitalism as a whole, progressives might consider allying with parts of it.

On economic universals

Critical thinkers need to rescue the idea of money from popular stereotypes. Marx's insistence on its centrality to any future economy, against Proudhon, Robert Owen and the Social Ricardians, is the best place to start; but here I will simply summarize the main conclusions of my own research. We must re-examine how money mediates between individuals and society. Money is the principal means for us all to bridge the gap between everyday personal experience and a society whose wider reaches are impersonal. As a token of society, it must be impersonal in order to connect individuals to the universe of relations to which they belong. But people make everything personal, including their relations with society. This two-sided relationship is universal, but its incidence is highly variable.

Money in capitalist societies stands for alienation, detachment, impersonal society, the outside; its origins lie beyond our control (the market). Relations marked by the absence of money are the model of personal integration and free association, of what we take to be familiar, the inside (home). This institutional dualism, forcing individuals to divide themselves every day between production outside and consumption at home, asks too much of us. People want to integrate division, to make some meaningful connection between their own subjectivity and society as an object. It helps that money, as well as being the means of separating public and domestic life, was always the main bridge between the two. That is why money must be central to any attempt to humanize society. It is both the principal source of our vulnerability in society and the main practical symbol allowing each of us to make an impersonal world meaningful.

The reality of markets then is not just universal abstraction, but this mutual determination of the abstract and the concrete. If you have some money, there is almost no limit to what you can do with it, but, as soon as you buy something, the act of payment lends concrete finality to your choice. Money's significance thus lies in the synthesis it promotes of impersonal abstraction and personal meaning, objectification and subjectivity, analytical reason and synthetic narrative. Its social power comes from the fluency of its mediation between infinite potential and finite determination. To turn our backs on markets and money in the name of collective as opposed to individual interests reproduces by negation the bourgeois separation of self and society. It is not enough, as most sociologists and anthropologists of money do, to emphasize the controls that people already impose on money and exchange as part of their personal practice. That is the everyday world as most of us know it. We also need ways of reaching the parts of the macro-economy that we don't know, if we wish to avert the ruin they could bring down on us all. Perhaps this was what Simmel had in mind when he said that money is the concrete symbol of our human potential to make universal society.

There is in any case not one economic universal, but several. Against the idea that every society has a single dominant type of economy, sometimes represented as successive historical stages, economy is always plural, a specific combination of principles

that are very general, perhaps universal in themselves. If there is one concept in economic anthropology with a claim to universality, it is reciprocity. It was first used by Richard Thurnwald and taken up by Bronislaw Malinowski. Marcel Mauss is most often cited as the source in *The Gift* and the three obligations to give, receive and make a return would seem to support this. But Mauss used the word only twice in that essay and Lygia Sigaud has made a powerful case against the assimilation of his argument to a theory of exchange. Lévi-Strauss performed this abridgment in his 1950 introduction to Mauss's collected essays, mainly as a way of making him a precursor for his own *Elementary Structures of Kinship*, published the year before. So how universal is the principle of reciprocity? I think it is most widespread in agricultural and early industrial societies, but less important for hunter-gatherers and in the world of the internet. But I can't develop that case now.

Other economic principles distributed widely in human societies include egalitarian community (sharing, pooling) and unequal hierarchy (command, redistribution). With reciprocity, this triad is recognized under different labels by several writers from Polanyi to David Graeber. Local society is never self-sufficient. There is thus an abiding tension between the internal management of society and its external relations (as Polanyi insisted). Political control is exercised through institutions of varying scale: house, village, city, state. Money and markets extend the limits of local society, push its boundaries outward. All markets are potentially world markets and money is an index of our human capacity to make world society. Economy was for long domestic and linked to natural production, for a while political and linked to urban markets. We need to bring together house and world, state and market as principles of association. Mauss, Polanyi and Keynes all pointed to this end and several contemporary anthropologists are working towards it too.

Conclusion: the economy is always plural

In an unpublished conference paper, Jean-Louis Laville sums up the case for a plural approach to economy as follows: "Two great lessons may be drawn from the history of the twentieth century. First, market society sustained by a concern for individual freedom generated huge inequalities; then submission of the economy to political will on the pretext of equality led to the suppression of freedom. These two solutions called democracy itself into question, whether in the form of totalitarian systems or, with a similar result, through the subordination of political power to that of money. If we reject both of these options, it is then a question of developing institutions capable of guaranteeing a plural economy within a democratic framework, exactly what is compromised when the rationale of material gain without limit has a monopoly. To answer this question, we must seek out new institutional forms anchored in social practice; these will point the way towards the reinsertion of democratic norms in economic life. Any return to the old compromises is doomed to failure and any reflection

on how to reconcile freedom and equality, which remains the goal of democracy in a complex society, can only make progress by taking into account the reactions of people in society. This is one point of agreement between Mauss and Polanyi; we must rely on practical experience for information and analysis, in other words, start from the ‘real economic movement’, not from a programme of social reform given a veneer of realism. This is a conception of social change as self-expression, of change which ‘is by no means committed to revolutionary or radical alternatives, to brutal choices between two contradictory forms of society’ but which ‘is and will be made by a process of building new groups and institutions alongside and on top of the old ones’ (Mauss). Mauss and Polanyi, in outlining the theoretical foundations of a plural approach to the economy, began a reflection on social change that cannot be satisfied with ritual calls to turn the system upside down. In other words, rather than make an abstract appeal to an alternative economy, they have shown us a concrete road to ‘other economies’ based on the field of possibilities already open to us.”

As anthropologists, we can do no better than to renew our engagement with the writings of Marcel Mauss and Karl Polanyi. The two authors could be said to be complementary in several ways. One of Mauss’s key modifications to Durkheim’s legacy was to conceive of society as a historical project of humanity whose limits were extended to become ever more inclusive. The point of *The Gift* is that society cannot be taken for granted as a pre-existent form. It must be made and remade, sometimes from scratch. How do we behave on a first date or on a diplomatic mission? We make gifts. The moiety systems that he starts with are going nowhere. But heroic gift-exchange is designed to push the limits of society outwards. They are ‘liberal’ in a similar sense to the ‘free market’, except that generosity powers the exchange, self-interested for sure, but not in the way associated with *homo economicus*. Malinowski’s account of the *kula* ring is the contested origin for Mauss’s discussion. “The whole intertribal *kula* is merely the extreme case...of a more general system. This takes the tribe itself, in its entirety, out of the narrow sphere of its physical boundaries and even of its interests and rights.” No society is ever economically self-sufficient, least of all these Melanesian islands. So the need for establishing local limits on social action must always be added the means of extending a community’s reach abroad. This is why markets and money in some form are universal, and why any attempt to abolish them must end in catastrophe.

Polanyi drew attention to how economic institutions organize and are in turn organized by a plurality of distribution mechanisms that, in the modern world, affect the lives of millions of people who participate in them, without being granted any measure of control. This led him to highlight the inequality created by these institutions, as they swing between the poles of market and state, of society’s external and internal relations. In the current crisis, the immediate reaction is to turn to a variety of government institutions, flipping the coin from tails to heads as it were, instead of insisting that states and the markets have to work together in less one-sided ways than before. To this end, Polanyi’s call for a return to social solidarity, drawing especially

on the voluntary reciprocity of associations, reminds us that people in general must be mobilized to contribute their energies to the renewal of society. It is not enough to rely on impersonal states and markets.

Polanyi and Mauss made sure that their more abstract understandings of political economy were grounded in the everyday lives of concrete people, thereby lending to field research the power of general ideas. There has been a recent increase in anthropological research on aspects of capitalism, but anthropologists have largely left the global effects of an unequal distribution of money, the class conflict between rich and poor everywhere, to other branches of the academic division of labour, especially to economists of whatever political persuasion.

The missing link between the everyday and the world at large can be found in the work of these two pioneers. An unblinking focus on distribution at every level from the global to the local reveals how the social consequences of political economy and the way it is understood by those who make it are one and the same social process. The current crisis renders this insight particularly visible, since it challenges contemporary financial ideas, while its tangible distributive effects are felt and feared throughout the world. We are clearly witnessing a power struggle of potentially awesome consequences. Each new political response to the latest economic calamity evokes the spectre of the Great Depression and its bloody aftermath.

The project of economics needs to be rescued from the economists. The mask of neo-liberal ideology has been ripped from the politics of world economy. It is up to us to propose an effective replacement. A new institutional economics could be formed out of anthropology, sociology, economic philosophy and world history. This essay is one contribution to that conversation.

The Ted K Archive

Keith Hart

A human economy for the twenty-first century

A New Commonwealth — Ver 5.0

November 30, 2009

<thememorybank.co.uk/a-human-economy-for-the-twenty-first-century>

www.thetedkarchive.com