

edited by David F. Ruccio



**ECONOMIC REPRESENTATIONS**  
academic and everyday

# Economic Representations

## Academic and everyday

Why is there such a proliferation of economic discourses in literary theory, cultural studies, anti-sweatshop debates, popular music, and other areas outside the official discipline of economics? How is the economy represented in different ways by economists and non-economists?

This volume stems from the recognition that there is a burgeoning of “economic talk” outside the official discipline of economics. Almost every discipline, especially in the humanities and social sciences, includes a growing number of scholars who engage in economic analysis by analyzing economic events, deploying economic metaphors in social and cultural analysis, or using economic theories and concepts to analyze texts, artworks, and other cultural artifacts. At the same time, some economists have turned to the methods of literary criticism, cultural analysis, and other areas from outside their discipline to augment their work on economic systems and theories, while others have taken up and responded to the concerns of economic activists. In this volume, scholars from a wide variety of disciplines and countries, from inside and outside the academy, explore the implications of the fact that the economy is being represented in so many different ways. They analyze what it means for scholars and activists in trying to make sense of existing representations — theories, pictures, and stories of the economy. They also show how new representations can be produced and utilized to change how we look at and participate in current economic debates.

By encouraging the mutual recognition of existing approaches and exploring the various ways economic representations function in diverse venues within and beyond mainstream economics, Ruccio has produced a book that is relevant to subjects as diverse as economics, sociology and anthropology, political economy, globalization, and cultural studies.

**David F. Ruccio** is Professor in the Department of Economics and Policy Studies at the University of Notre Dame, Indiana, USA and editor of the journal *Rethinking Marxism*.

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**Chris O’Brien** The global industrial economy tends to narrow human interactions down to an exchange of commodities: labor for currency, currency for uniform goods. But today, people in highly industrialized countries are seeking more meaningful experiences—products with human stories. Artisanal products have all but disappeared in the United States, but they are on the rise again. Elsewhere, people in industrializing countries, such those in sub-Saharan Africa, are quickly losing precisely the traditions that produce unique, hand-made goods. The contemporary global beer industry exemplifies these two countervailing economic trends: a stagnant corporate brewing sector that grows only through acquisitions, and an unpredictable craft beer sector that is exploding in popularity and diversity. My mission is to research how the craft beer movement is modeling a local, sustainable economy. And to document surviving craft beer traditions around the world in the hopes of boosting their chances of survival in the face of growing pressure from powerful global beer companies.

**Ruben George Oliven** is Professor of Anthropology at the Federal University of Rio Grande do Sul in Porto Alegre, Brazil. He received his PhD from the University of London (London School of Economics and Political Science) and was a visiting professor at several universities, among them University of California at Berkeley, Dartmouth College, University of Paris, and University of Leiden. He was the President of the Brazilian Anthropological Association and is currently the President of the Brazilian Association for Graduate Studies and Research in Social Sciences. He won the *Erico Vannucci Mendes Prize for Distinguished Contribution to the Study of Brazilian Culture*. He is the author of *Tradition Matters* published by Columbia University Press. His research interests are: symbolic meanings of money, national and regional identities, popular music.

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**Deborah Webb** is Executive Director of Community Farm Alliance (CFA). A CFA staff member since its inception, Webb has been Executive Director since 1995. Formed in 1985 during the farm crisis, CFA has grown to more than 2,000 members in 87 counties across Kentucky. The purpose of the organization is to help people collectively find their own voices, recognize their power and solve their own problems. Prior to joining CFA, she worked for Appalachian Research and Defense Fund. Ms. Webb has a J.D. and had a private law practice for seven years. She was admitted to the Kentucky Bar in 1979 and admitted to the Supreme Court of Ohio in 1986.

# Introduction

## What are economic representations and what's at stake?

*David F. Ruccio*

Here are four items that serve to frame my discussion of what the project on economic representations in the academic and everyday worlds is all about, and what I think is at stake in this project.

### > Item #1

An important component of *Empire*, the much-discussed book by Michael Hardt and Antonio Negri (2000), is an analysis of contemporary economic relations. According to Hardt and Negri, the “new reality of capitalism” involves the production not only of commodities but also of subjectivities. Central to this process of “biopolitical production” are three aspects of “immaterial labor”: “the communicative labor of industrial production that has newly become linked in information networks, the interactive labor of symbolic analysis and problem solving, and the labor of the production and manipulation of affects.”

Economic issues and themes are theorized and discussed by a wide variety of scholars who have degrees in subjects and who work in academic departments other than economics. These scholars (such as Hardt and Negri) often use concepts and approaches, like biopolitical production and immaterial labor, that are entirely alien to those trained within the “official” discipline of economics. And while the formulations used by academic non-economists have originated more in dialogue with Marxian theory than the “mainstream” of the economics profession (by which I mean the varieties of neoclassical and Keynesian thought that have been dominant in the field for the past century), the present relationship between these discursive forms and those of heterodox, radical economic theories is not at all clear.

### > Item #2

An ethical economy is both portrayed in and performed by the narrative of the Marquis de Sade’s story of *Justine*. David Martyn (1999) argues that Sade portrays ethical relations in economic terms by showing that beneficence and generosity are caught up on relations of exchange, and thus petty and calculating, while injury and theft, which involve no recompense, appear as magnanimous and liberal. He also demonstrates that the legend of Justine cannot be contained in the “same pattern

## 2 David F. Ruccio

of economic exchange that governs the other ethical themes of the novel,” since it is impossible to determine whether it will constitute a “gift” or a “theft” of virtue with respect to the reader.

Academic noneconomists often discover economic implications not only in the content of cultural expression but also in the very form of such expression, thereby blurring the strict boundary between metaphor and its other which is so much a part of academic (especially mainstream) economics. Such formulations are also guided by the search for an alternative economic system and an “antieconomics,” the attempt to carve out a space not governed by what is considered to be the strict economic logic of capitalist exchange and of the economic theories that celebrate such a system. At the same time, the use of figures of exchange (and circulation, distribution, and so on) as the primary means by which the economy of texts is rendered often ends up supporting the neoclassical “subjectivist” view of economic value, thus reenshrining preference, utility, and individual choice as the fundamental principles upon which any economic discourse needs to be established.

### > Item #3

Community currency and local trading schemes – such as Ithaca Hours, Toronto Dollars, and the M15 LETSystem (in Manchester, England) – are increasingly common. In the case of Ithaca hours, organizers and participants argue that a local currency serves to “stimulate local production of goods”; “strengthen awareness of our community’s skills and give us more control of the economy”; “increase the core of employment which provides for local needs”; help us “see and feel that we’re part of doing this”; “make people think more about what money is,” as “an exchange of energy and resources”; and “develop a system of abundance, sharing, and cooperation.”

Economic activists, such as those who are involved in designing and participating in local currency systems, produce and disseminate theories of the economy that are often different – in both form and content – from those of the official discipline of economics. Academic economists often consider such formulations to be an “ersatz” economics, a mostly random set of irrational elocutions lacking both structure and consistency. The alternative is to recognize “everyday” economic theories and statements as having their own discursive structure.

### > Item #4

From the song *A Bird in the Hand*, by Ice Cube:

I didn't have no money so now I have to hunch the  
Back like a slave, that's what be happenin'  
but whitey says there's no room for the African  
Always knew that I would boycott, jeez  
but welcome to McDonald's can I take your order please

Gotta sell ya food that might give you cancer  
 cuz my baby doesn't take no for an answer  
 Now I pay taxes that you never give me back  
 what about diapers, bottles, and Similac?  
 Do I gotta go sell me a whole lotta crack  
 for decent shelter and clothes on my back?  
 Or should I just wait for help from Bush  
 or Jesse Jackson, and Operation Push?

Everyday economic discourses can be found in a wide variety of sites, including many of the genres of so-called popular culture.<sup>1</sup> The languages of economy that are expressed in diverse styles of music, from rap to country and western, are often attacked by academic economists, who bemoan the low level of economic knowledge among the general citizenry. The fact that everyday languages of economy may in fact hold pride of place in the minds of the public means that nothing short of a frontal attack must be waged by academic economists to rid public discourse of the erratic shamanism implicit in everyday economics. Economic literacy campaigns, starting in grade school, are thus designed to replace “ersatz” economic knowledge with the methods and conclusions of economic “science.”

These four items are specific examples of a larger trend, what I consider to be a rich and diverse (and, perhaps, growing) pattern of “economic talk” outside the official discipline of economics. Almost every discipline, especially in the humanities and social sciences, includes a large number of scholars who engage in economic analysis – by referring to and producing economic concepts, analyzing the relationship between the economic and noneconomic aspects of society, deploying economic metaphors in social and cultural analysis or using economic theories and concepts to analyze texts, artworks, and other cultural artifacts. Additionally, activists outside the academy have taken up and become participants in debates concerning a wide variety of economic issues, from globalization and sweatshop production to community development and living wages. More generally, popular culture – in genres as diverse as music, television, film and novels – is replete with references to and representations of economic themes and issues, and people in the everyday world outside the academy regularly discuss and debate economic issues and policies.

This ubiquity of economic representations, inside and outside the economy, is not matched by a sustained discussion among the various groups. Academic economists rarely acknowledge, let alone read and engage with, the economic analyses carried out by academic noneconomists. By the same token, scholars in disciplines other than economics often refer to economics as a singular method or set of conclusions, thereby overlooking or ignoring the variety of theoretical

1 Additional examples of everyday economic representations can be found in the appendices to chapter 7 of *Postmodern Moments in Modern Economics* (Ruccio and Amariglio 2003).

approaches that together make up the discipline of economics. And, for the most part, neither group within the academy has taken seriously the languages and discourses of economy that are produced and disseminated by economic activists and others outside the academy.

The fact is, there are diverse representations of the economy – what it is, how it operates, how it is intertwined with the rest of the natural and social world, what concepts are appropriate to analyzing it, and so on – in all three arenas: within the official discipline of economics, in academic departments and research centers other than departments of economics within colleges and universities, and in activities and institutions outside the academy. And the diversity of economic representations that exists in these arenas simply cannot be reduced to or captured by a singular definition, including the all-too-common statements about “how economists think” or what the “central economic question is” that one finds in the textbooks that are used very year, around the world, to teach hundreds of thousands of students how to think about the economy – in other words, how to represent the economy, to themselves and others.

### **What’s at stake**

I often respond to material that I read – student papers, chapters of dissertations, articles under review for journals, book manuscripts from publishing houses – with the question “so what?” Granted (in many cases), the argument may be well constructed, the examples clear, and the writing fluid, but why should this particular piece of writing see the light of day? Why should other readers pick it up, let alone work their way through to the end? What is the significance of the ideas presented? In what sense is it more than a formal, professional exercise, with no apparent implications for changing how we view the world? In other words, what is at stake in solving a particular problem or defending a particular thesis?

Before introducing the exciting work that makes up the remainder of this volume, allow me then to put forward what I consider to be at least some of the various issues at stake in this project on economic representations. As I see it, the goal of identifying and analysing representations of economic issues and themes (across the disciplines and outside the academy) is *not* merely to promote more or “nicer,” more respectful or tolerant dialogue, among the participants. As Wendy Brown (2006) has convincingly demonstrated, liberal tolerance can in fact serve both to hide from view the histories and powers constitutive of conflicts among and between different discourses and to normalize those differences as inherent sites of hostility. While I think it unwise to reject the idea of tolerance outright (certainly not in and around the discipline of economics, where the acceptance of alternative views is often in short supply), we can go further and explore the implications of the idea that economic knowledges don’t solely or necessarily originate in or spread out from a center within the academy. From this perspective, economic theories and approaches can be seen as being created, learned, utilized, and contested in many different social sites, including academic departments other than economics and nonacademic venues, and to be

embedded in many different social practices, again both inside and outside the academy.

One of the consequences of “decentering” economic knowledge in this way is that it opens up the possibility of investigating both the content of the different knowledges that are located in various sites and practices other than the official discipline of economics and the different discursive structures – the different methods and protocols, the different narrative strategies and rules of formation – of these academic and nonacademic economic theories and statements. To be clear, I do not understand myself as a romantic for whom every alternative to the mainstream or every pronouncement of non-experts contains the real truth that is being concealed by ideologues who are simply protecting their domain of power. For me, the sociologist’s discourse or statements emanating from the so-called person in the street have no epistemological privilege in revealing a blunt truth that the academic economic experts are too blind or too partial to see. Rather, I am interested in the ways knowledges produced mostly in sites distant from the headquarters of academic economics are, in fact, discourses whose rules of formation and discursive regularities can be recognized and discussed.

A second consequence – especially with respect to approaches formulated and followed by academic noneconomists, such as anthropologists and political scientists – is that we can focus our attention on the specificity of their contribution to economic thought, on the relation of this contribution to the larger field, and, perhaps most importantly (at least for me, since I happen to work in an economics department), on the ways in which these contributions intervene in the debates and differences that already exist within the confines of the existing profession.<sup>2</sup> One issue in which I am keenly interested is the extent to which these formulations are understood as an “anti-economics.” On this last score, I am mostly concerned with which economic discourses “within” the discipline such terms as ethical economy (along with libidinal economy, economy of desire, and so on) oppose, partially reformulate, or extend.<sup>3</sup>

A third consequence, particularly where everyday economics is concerned, is that we can begin to unearth and examine knowledges of existing economic arrangements and imaginaries of alternative economies that are hidden within or behind, that in one way or another exceed, “official” ideas about the economy. By official ideas I not only mean mainstream, “neoliberal” celebrations of private property and free markets to which so much attention is directed these days; I am also referring to heterodox (including Marxian, radical and other) conceptions

2 Actually, I teach in a department that carries the title Economics and Policy Studies, since in 2003 the administration of University of Notre Dame decided to split the existing Department of Economics, comprised of both mainstream and heterodox economists, into two. The other department is called Economics and Econometrics. Interested readers can consult McCloskey (2003), Monaghan (2003) and Hayes (2007) for further information about the decision.

3 Jack Amariglio and I (1999) have explored this issue in terms of the relationship between the role of economic concepts and tropes in literary studies and ongoing debates within the discipline of economics.

of a monolithic, hegemonic global capitalism. Thus, we may find that everyday economic discourses represent the modern-day equivalent of a Bakhtinian carnival, which includes, on one hand, stylized parodies of (and even attacks on) all sorts of official academic languages and pronouncements and, on the other hand, conceptual strategies and ways of seeing that pave the way for alternative economic practices and institutions.

I suppose that, in the end (in that Althusserian “lonely hour of the last instance” or, if you prefer, just before the Keynesian long run, when we’re all supposed to be dead), what I am looking for are ways in which existing conceptions of both the discipline of economics and “real” economic relations and institutions can be denaturalized, made different from themselves, and new ones can be produced. Granting recognition to and exploring the content and rules of formation of economic representations outside the official discipline of economics comprise one way of creating a new discursive space to accomplish that objective.

To be clear, I am not arguing that recognizing the existing diversity of economic representations, or creating more difference, bringing into being still other representations, will make for a better economics – either better economic theory or better economic policy. Such an argument can only be made on the basis of an approach to representation that defines it in terms of accuracy. That would be a positivist conception of representation. According to such a view, incorporating and utilizing one set of representations instead of others would lead to better, because more accurate, economic theory, or a theory of the economy that has better predictive power. There are two ways such an argument can be, and often is, made. First, one economic theory is judged to be superior to others because its particular representation better reflects the existing facts, or can be used to predict the future trajectory of the facts, characterizing the economy “out there.” Second, one theory is preferred to all others because it correctly incorporates the representations held by economic agents, and, therefore, correctly reflects the economy as it is and/or can be used to generate correct predictions. Clearly, the second argument is but another version of the first. In both cases, the idea is that economic theory is improved, therefore, capable of generating better predictions and policies, because one set of representations is taken to be a more accurate depiction – of the economy or of the views held by economic agents – than others.

I am not making such an argument. The epistemological problems associated with the idea of accurate representation are too legion to be ignored or overcome by simply declaring, or devising tests to conclude, that economic reality can be better captured by one set of representations in comparison to others.<sup>4</sup> Nor, by the same token, am I arguing that contemporary economic theory should incorporate all of the existing representations, in the sense that each one contains at least a grain

4 The contributions to a postpositivist approach to epistemology are too numerous to list here. However, at least for me, the work of the late Richard Rorty, especially his *Philosophy and the Mirror of Nature* (1979), played a pivotal role.

of truth, and that all of them together are capable of offering an accurate picture. In fact, at least in the discipline of economics, the problem is that the official texts of the discipline generally recognize only one set of representations – those of mainstream economics – and the others, from whatever provenance (inside or outside the discipline, inside or outside the academy), are more or less ignored in both teaching and research.

Now, like most economists (and pretty much everyone else, in my view), I have my own preferred set of economic representations. (I am, after all, a founding member of the editorial board of the journal *Rethinking Marxism*, and I've written about postmodern Marxian theory and how it can be used to analyze a wide range of issues, especially in the areas of planning, development, and globalization. So, I am obviously a partisan of one set of representations over and against many others.) And I certainly believe that one can refer to particular sets of representations that are more persuasive (of course, to some people and not to others, under some conditions and not others) or make sense of reality differently from other representations (in other words, that produce ideas about economic and social reality that are different from those associated with other representations) or lead to different sorts of interventions into the economic and social world (in terms of conventionally defined economic policy, in an attempt to “fix” the existing arrangements, as well as advocating and engaging in radically different economic and social practices and institutions). But these do not amount to the same thing as claiming, or even attempting to determine, that one set of representations is more accurate than any or all of the others.

No, what is at stake here is something different. Analyzing economic representations in the academic and everyday worlds affects how we understand: (a) the decentering and dispersion of the production and dissemination of economic knowledges throughout society, (b) the specific contributions economists and noneconomists (both academic noneconomists and everyday economic thinkers) make to the array of economic knowledges in society and (c) the consequences of those representations in terms of reproducing or strengthening the existing economic and social institutions and of imagining and generating new ones.

## Economic representations

That's what I think is at stake in this project. But let me step back for a moment and explain what this project entails. Economic representations, in the way I am using the term, refer to the different ways the economy is conceived and portrayed. The object can be the economy as a whole (as in the Brazilian economy or global capitalism) or some part thereof (such as the market for residential mortgages or the practice of gift-giving within households). These different conceptions – whether whole or part – comprise different understandings (or, if you prefer, stories or pictures) of the economy: what it is, where it exists, how it operates, how it is constituted, how it is related to other aspects of the natural and social world, what problems might exist and how they can be solved, what the goals of economic activity are, and much, much more. Each economic representation

contains answers to these questions – often explicitly, sometimes implicitly – and thus constitutes a form of economic knowledge.

Consider the conception of the economy based on supply and demand, perhaps the representation most disseminated through formal economics education in the world today. So much so that people (my students included) talk about the functions of supply and demand – their role in determining prices, forming a law that needs to be understood and obeyed, and so on – as if they were not part of a particular representation of the economy but, instead, as real forces existing out there in the world. The supply-and-demand representation of the economy has only been around for a bit more than a century (due, in large part, to Alfred Marshall's *Principles of Economics*, published in 1890, and the ascendancy of neoclassical economic theory, especially in the postwar period). But, during that time, it has acquired the status as one of the essential elements in mainstream economists' "toolkit." The basic idea is that a modern economy is made up of markets, each one of which can be understood in terms of a combination of three basic and independent functions: the demand function (according to which the quantity demanded by rational, utility-maximizing consumers is inversely related to the price of a good), the supply function (in the sense that the quantity supplied by rational, profit-maximizing firms is positively related to the price of a good), and the equilibrium or market-clearing function (which stipulates that the quantity supplied of a good equals the quantity demanded of a good).

Much more can be, and has been, written about this particular representation of the economy (numerous chapters of economics textbooks, from the introductory undergraduate to the advanced graduate level, are devoted to the topic, not to mention innumerable journal articles and monographs). The only point I want to make here is that it *is* a particular representation of the economy based on an understanding of all the issues I posed above. What the economy is: it is made up of individual decisions in markets. Where it exists: in a particular public domain, based on the interaction of consumers and firms. How it is constituted: it is natural, the result of the given, essential propensities of consumers and firms. Its relation to the other aspects of the natural and social world: in principle, and unless otherwise prohibited by some outside force (such as a government regulation), everything is an external object that can be bought and sold on markets, and, therefore, has an equilibrium price.<sup>5</sup> Potential problems and solutions: interventions (such as price floors and ceilings, like minimum wages and rent controls) that lead to inefficiencies, which then need to be eliminated so that market prices can rise or fall to their equilibrium values. And, finally, the goal: to achieve an efficient allocation of resources through free market forces.

Now, as might be expected, there is a wide-ranging and ongoing debate among mainstream economists concerning this particular representation of the economy.

5 If there is a line of causality in this representation it is from economy to everything else. The most extreme version was developed by Gary Becker (1976, 1981), according to whom all human behavior is governed by, and can be analyzed in terms of the optimizing logic of, the economy.

Some mainstream economists (often referred to as the conservative wing) consider this supply-and-demand story to be an adequate representation of economic reality, and thus argue that markets should be allowed to operate freely, guided as if by an invisible hand. Other mainstream economists (from what is generally taken to be a politically liberal perspective) challenge various elements of this story – such as the rationality of economic agents or the degree of shared information or the absence of one or another market – and, therefore, argue in favor of the guiding hand of the government. The two groups operate with a shared goal and they use the same basic representation but they differ in the particular, empirical elements of the story. Hence the terms of the debate among mainstream economists: free markets versus regulated markets, individual initiative versus government programs, emphasizing the freedom to choose versus the importance of a helping hand because of the constraints on individual decisionmaking, and so on.<sup>6</sup>

Economics is often theorized and taught – at least at many colleges and universities in the US – as if the supply-and-demand representation of the economy were the only one. That’s how the story is presented in chapter 1 of many textbooks: it’s “how economists think”; it’s the “economic method”; it’s “economic science.” But, as it turns out, there are many other representations of the economy – inside the discipline, in other academic disciplines, and outside the academy.

Many academic economists produce and utilize representations of the economy other than the supply-and-demand conception of markets. They are often referred to as heterodox economists, or sometimes political economists, and work within theoretical traditions other than the neoclassical-Keynesian one. A short list of these would include Marxian, classical, post Keynesian, radical, institutionalist, feminist, Austrian, and postcolonial approaches. If I had the space, I would give a detailed example from each. However, for the purposes of this discussion, let me invoke but one example, from the Marxian tradition. Certainly, one can find references in Marx’s texts, including *Capital*, to many of the terms that are used in the neoclassical and Keynesian stories. Markets, prices, supply, demand, even equilibrium all play a role in the Marxian representation of the economy. But the basic story is quite different. For Marx, the commodities that are bought and sold on markets have exchange-values that can be understood in terms of two key elements: (a) the characteristics that economic agents have that make them capable of exchanging commodities and (b) the amount of society’s labor that is embodied in the commodities during the course of production and for which the commodities exchange. The first entails Marx’s discussion of “commodity fetishism,” his theory of how economic agents come to be constituted socially and historically such that commodity exchange can take place. The second leads to his theory of surplus

6 This is exactly how the current debate among leading US presidential candidates in both the Democratic and Republican parties is being defined and conducted. *The New York Times* describes the debate in these terms: “Their approaches are very different, reflecting longstanding divisions between the parties on the role of government versus the private market in addressing the affordability and availability of health insurance” (Toner 2007).

labor and, in a capitalist economy, the theory of surplus-value, that is, the idea that part of a capitalist commodity's value is the extra value created in and through the exploitation of the direct producers.

As is readily apparent, the Marxian representation is quite different from the neoclassical-Keynesian one. The economy is conceived to be a set of historically created social relations that involve the production and exchange of commodities, leading to flows of labor values throughout society. It is both determined by, and a determinant of, the social (including political and cultural) and natural elements that make up the rest of the world, such that there is no clear line that can be drawn between economy and non-economy. As for problems, they arise both from the exchange of commodities (since there is no necessary equilibrium either within or across markets) and from the exploitation that occurs during the course of production, for which noncapitalist economic arrangements are the only solutions. The goal, therefore, is not to enhance the market allocation of scarce resources to achieve efficiency but, rather, to create spaces both for noncommodity distributions of goods and services and for nonexploitative labor practices.

Contrary to the impression created by economics textbooks, and references to how academic economists conceive of their object, the discipline of economics is replete with representations of the economy that differ markedly from the neoclassical view.<sup>7</sup> The key here is that these differences are just not about economic policies (although these, of course, exist) but involve the most basic elements of what the economy is and how it is represented in thought.

And, once we step outside the discipline of economics, many more representations can be found – in virtually every discipline and interdisciplinary area of investigation, from sociology to literary criticism and from science and technology to peace studies. Once again, let me offer but one illustration, this one from contemporary sociology. The field theory elaborated by Pierre Bourdieu (2005) is the basis of one set of representations within the relatively new field of economic sociology. According to Bourdieu, the economy is a field of both forces and struggles: on one hand, the force or set of power relations among firms determines the conditions in which agents (both firms and consumers) negotiate the prices at which goods are bought and sold; on the other hand, agents, equipped with different amounts and kinds of resources (what Bourdieu refers to as different forms of capital), struggle with one another to gain access to exchange and to preserve or change the existing field of forces.

Quite clearly, there is a great deal of theoretical distance between Bourdieu's representation of the economy (not unlike many others that make up the field of economic sociology) and the mainstream theories in economics (although Bourdieu's work does come closer to and overlap with other theories in the

7 Typical are comments such as those by Frank Dobbin (2004): "self-interest, which is at the center of most theories of economic behavior" (1), "economists spelled out how people would behave if they followed pure principles of self-interest" (3), and so on. Dobbin thus reduces the discipline of economics to only one of its representations.

discipline of economics, especially institutionalism). Bourdieu focuses attention on the social powers and struggles that serve to structure the economic field, especially the calculating vision of economic agents. His understanding of where and how the economy is constituted can thus be summarized in the following way: “it is not prices that determine everything, but everything [especially the state] that determines prices” (197). Thus, when some firms, engaged in an “indirect conflict” with others in their field, are able to use the state to enact economic policies that benefit them, economic and social costs can be and often are imposed on others, inside and outside the field. The solution, therefore, lies in the formation of political forces capable of exercising control over the dominant economic forces – in order to change the structure of the economic field and subordinate it to social goals.

To judge by the diversity of areas of interest and the different theories that are produced and utilized, there is a great deal of interest in economic issues and themes not just in the official discipline of economics but across the range of departments (particularly in the humanities and social sciences) inside the academy. Economic representations simply can’t be identified with or reduced to either one theory or one discipline. It is perhaps not surprising that, according to a recent survey (National Council on Economic Education 2005), a majority of the general public is also interested in economics.<sup>8</sup> And, even though there are fundamental problems with the survey (precisely because, like much official economics education in the United States, answers to questions are graded right or wrong according to whether they accord or not with the ideas of mainstream academic economists), the results do give evidence that the nonacademic public utilizes economic representations that only partly coincide with those offered by mainstream economic theory. On one hand, both adults and students “correctly” answer the question: “If the price of beef doubled and the price of poultry stayed the same, people would most likely buy” ... more poultry and less beef (18). On the other hand, about one-third of both groups believes that only landlords benefit from the transaction when a person rents an apartment, whereas the “correct” answer is that “both the person renting the apartment and the landlord” benefit from the transaction (16).

It is precisely because everyday economic representations are often (but certainly not always) deemed incorrect by the standards set forth within mainstream economics that mainstream economic educators judge the existing level of economic literacy (defined not in terms of having some economic knowledge but of matching up with one particular set of knowledges) to be low. In fact, one recent author has gone so far as to argue that democracies produce bad economic

<sup>8</sup> The survey was conducted by Harris interactive market research for the National Council on Economic Education (NCEE). While the authors of the report are clearly pleased that the majority of adults in the United States are interested in economics and believe “it is important for the people of the United States to have a good understanding of economics” (5), they also bemoan the fact both that “a majority of high school students do not understand basic concepts in economics” (5) and that these students are “more interested in natural history or science than in politics or economics” (79). I want to thank Jack Amariglio for pointing out this survey to me.

policies not because they represent the demands of a small set of special interests but because they reflect the will of the majority – and the majority of people are ignorant about economics. Bryan Caplan (2007), an economist at George Mason University, argues that, precisely because the views of the citizenry are different from the views of academic economists, voters should be required to “pass a test of economic literacy” before casting ballots. He explains this divergence in terms of four systematic “biases” he finds inherent in everyday economic representations: antimarket (expressing a skepticism about the benefits of the “invisible hand” and its ability to harmonize private greed and the public interest), antforeign (a tendency to underestimate the benefits of economic transactions with foreigners), make-work (equating prosperity with more jobs instead of more production), and pessimism (being overly prone to believe the economy is bad and getting worse).

Nonacademic or everyday economic representations also often comprise views that are the direct opposite of what Caplan claims: promarket (as, e.g., when university officials claim they don’t need unions or living-wage rules since they pay their employees at or above the “market rate”), proforeign (which can be found in arguments such as those extolling the need to end poverty in Africa, both as a moral question and in terms of the need to control emigration and promote national security), anti-work (when equity investments and other “financially responsible” portfolio decisions are seen as the key to economic prosperity), and optimistic (such that people have a positive view of the state of the economy and their own economic situation when the stock market indices are rising, even when their own pay and other economic data are stagnating or getting worse). The point, again, is not that one set of representations is right or wrong (although I have my own views on these matters – and, while I may often disagree with voters’ choices, in the United States and elsewhere, I am not inclined to call into question democratic decisionmaking because of it) but that such diverse conceptions of the economy exist, in the everyday world as in the academy.

Among the biggest economic issues being discussed and debated in the United States today (as I am composing this introduction, in July 2007) are globalization, inequality in the distribution of income and wealth, and the war in Iraq. Only on the first issue can one reasonably argue that the purported center of economic representations – mainstream academic economics – plays a leading role in the debate. And, even then, the free-trade, pro-globalization orthodoxy that, with few exceptions, has predominated within mainstream economics for generations has been contested in all three areas: within the discipline of economics, in other academic disciplines, and outside the academy.<sup>9</sup> Many (although certainly not all) of the representations of globalization that one finds being used by

9 Recently, a few leading mainstream economists – such as Paul Samuelson (2004), Alan Blinder (2006 and 2007), and Joseph Stiglitz (Stiglitz and Charlton 2007) – have raised questions about some of the major conclusions of that orthodoxy. However, they have not moved in the direction of challenging the neoclassical representation of the economy they and others have long worked to create (in their research) and disseminate (through their teaching and writings).

heterodox economists, other academics, and the general public is nowhere near as celebratory, and is often quite critical, of the consequences of the existing regime of globalization. They also often raise questions about existing inequalities in the distribution of income and wealth within and between nations, and of the economic motives behind and the economic effects of the US occupation in Iraq. On these two topics, however, one will find relatively little in the way of original research conducted by mainstream economists – certainly in comparison to many of the other areas that are the focus of the journal articles and monographs they publish. In contrast, it seems that the writings and other artifacts of heterodox economists and noneconomists are replete with representations of and arguments about both economic inequality and the economics of the ongoing war.<sup>10</sup>

One of the tasks of the research project on economic representations is to identify and investigate the diverse content of the different conceptions of the economy that are produced and circulate inside and outside the discipline of economics. Instead of presuming that economic knowledges have a center, and thus a singular standard against which all other knowledges can be compared and declared valid or not, it becomes important to see the terrain of economic representations as expansive (occurring across and outside the academy), fragmented (because the knowledges produced in one arena are often incommensurable, in both form and content, with those produced in other arenas), and contested (precisely because some representations, implicitly or explicitly, differ in their most basic elements from others, within and across arenas).

This combination of decentering and proliferation of economic representations pertains not only to the content of such representations; it is also present in their form. Anyone who has any acquaintance whatsoever with mainstream economics – either in the classroom or through publications – will recognize a certain form, a rhetoric or expository style, that is variously referred to as “blackboard economics” (McCloskey [2004, 148], such that the formal results of the mathematical model are deemed to be conclusive for analyzing a particular economic effect – e.g., the impact of raising the minimum wage – as against measuring the empirical size of the effect or the history behind the effect), “imperialist” (Rubinstein, [2006], in the sense that some mainstream economists, like Steven Levitt, coauthor of *Freakonomics*, believe their approach can be expanded to “encompass any question that requires the use of common sense” [2]), “essentialism” (Resnick and Wolff [1987], which refers to a cause-and-effect approach wherein everything is related back to one or another essential cause, which is taken as given or exogenous), and “methodological individualism” (Arnsperger and Varoufakis [2006], which means that some notion of the individual – not processes, groups, or institutions – is taken as the starting point for any and all analyses).

10 One of the few exceptions in mainstream economics is the work of Emmanuel Saez and Thomas Piketty (2003). On the war, the only studies by mainstream economists I have been able to identify to date include, before the war began, Nordhaus (2002) and Davis, Murphy, and Topel (2003), and after the war was initiated, Bilmes and Stiglitz (2006).

The forms of other economic representations are often, but not always, different. While some heterodox economists use blackboard methods, essentialist approaches, and/or methodological individualism, they also present their work in the form of case studies, descriptive narratives, historical investigations, struggles between groups, institutional imperatives, and overdetermined causal relations. So do many academic noneconomists, who add participant observations and descriptive statistics and often present their work in monographs rather than relying almost exclusively on journal articles. While everyday economics, which assumes all these alternative forms, also includes novels, movies, songs, visual art, and so on.<sup>11</sup> The point, once again, is that, if economic representations are limited or reduced to one set of forms – such as those associated with mainstream economics – then all other representations, which are presented in other rhetorical styles, are not considered valid economic knowledges.<sup>12</sup>

Not only does the project of economic representations encourage us to expand our recognition of the set of forms in which economic knowledges can be presented; it also poses the issue of how the economy can be and often is represented in the forms themselves. One dimension of this issue concerns the way the economic conditions under which the representations are produced, distributed and consumed can be read into the works themselves. This “political economy of economic representations,” which has generally been applied to works of art and other cultural forms, could be expanded to include an analysis of the economic (and, more generally, social conditions) within which academic representations, inside and outside the official discipline of economics, have been created and disseminated. Thus, for example, we can investigate, both historically and in the current conjuncture, the relationship between academic representations of the economy and such diverse conditions as the nature and role of the university (and the departments and centers within it), the emergence of new markets in academic value (associated with counting citations and calculating the rank of journals) and the position of countries within the world economy (and therefore which economic representations are exported and imported through such means as textbook publishing, film distribution, and international agencies).<sup>13</sup>

11 Emmison and McHoul (1987) have analyzed the changing form of representations of the economy in political cartoons from the early nineteenth century to the 1980s.

12 There are only a few examples in which the visual representations of academic economics are analyzed in any detail. The most recent is a symposium by Robert Leonard (2003), which includes papers by Loïc Charles (2003, on François Quesnay’s *Tableau Économique* of economic flows), Neil de Marchi (2003, on graphical representations of the gains from international trade in the work of Alfred Marshall and Paul Samuelson), and Laurent Derobert and Guillaume Thieriot (2003, on the Lorenz curve diagram of income inequality). Other examples, focusing on the relationship between visual representations in modern art and economics, are Klammer (1996) and Szostak (1999).

13 My paper on “imperial economics” (2004) is one attempt to analyze the relationship between the discipline of economics in the United States and the fact that US imperialism has generally – for example, in comparison to the “classic” imperialism of Great Britain – and until quite recently, eschewed the direct and long-term administration of colonies.

The other dimension pertains to the ways representations themselves – academic publications, nonfigurative art works, pieces of music, and so on – even and perhaps especially when they do not directly refer to or represent a particular economic scene, play a role in generating economic ideas or affecting the ways in which we think about the economy. Consider, for example, an abstract art work such as Wassily Kandinsky’s *Untitled (Composition with Grey Background)* (1941) or Jackson Pollock’s *Grey Rainbow* (1953) – as against such paintings as Jean François Millet’s *The Gleaners* (1857) or Hans Haacke’s *Shapolsky et al. Manhattan Real Estate Holdings, a Real-Time System, as of May 1, 1971*, both of which lend themselves to relatively straightforward readings of economic processes. For Jack Amariglio (2006), nonrepresentational art – “particularly work that enshrines the idea of the autonomy of art, its self-referentiality, and its essential reduction to basic and abstract forms and principles” (21) – constructs notions of economic value that are broadly associated with the idea of the gift. And, as both Antonio Callari (2002) and Amariglio remind us, many notions of the gift – especially those defined in terms of uncertainty, excess, expenditure and destruction – differ substantially from the conception of economic value that one finds in mainstream economics (and, for that matter, in many other theories of value, including traditional interpretations of the Marxian labor theory of value).

Changing our perspective on what counts as economic representations – in particular, expanding that perspective beyond the idea that economic knowledge is confined to and identical with the content and form of mainstream economics – means that we can revise our notion of where and how economic knowledges are produced, how they circulate, and the manner in which they are contested in sites and practices throughout society. Perhaps even more important, we can focus on the ways these different representations matter. I am thinking of the role diverse economic representations play in how economic subjectivities and identities are constituted, the kinds of economic policies that are devised and enacted, what kinds of economic conversations take place, and how economics is taught. Of particular interest to me is how economic representations, especially those that are different from mainstream economics, constitute and engender different notions of existing economic arrangements and different imaginaries of the kinds of economic arrangements that can be brought into being.

What happens, for example, when, in addition to or instead of daily reports on the movements of the major stock market indices or the latest government data on rates of productivity growth, attention is directed to the share of income going to the top 1 percent of households or to the rate of exploitation of productive laborers? And what are the consequences of denaturalizing markets – seeing them as diverse, historically and socially constructed institutions – and recognizing the existence of both noncapitalist markets and nonmarket ways of distributing goods and services? And, finally, what are the consequences of rethinking the boundary between economics and politics or ethics – recognizing the political or ethical moments in the choices that are made within and between economic representations – for the practice of economic theorizing and the transformation of existing economic institutions?

## > Alternative approaches

I asked the authors who accepted my invitation to contribute essays for this volume to address the same “what’s at stake” question – in addition to discussing the “alternative representation of the economy” in their particular “corner of the world” and analysing the “conditions and effects of how those representations operate.” The aim, in a series of relatively short chapters (another one of the stipulations I made, in order to include more case studies), organized into seven sections, is to provide examples of the research that is being done, and to provoke readers into imagining and undertaking additional projects, on economic representations. (Toward this end, the Appendix comprises various lists of supplementary readings, in addition to each chapter’s references list, on the authors’ chosen topics.)

## > Global economies

Globalization is, of course, one of the areas in which, at the present time, representations of the economy are most hotly contested. Within the discipline of economics, in other academic disciplines, and outside the academy – in all these domains, without exception, alternative representations of economic globalization are being produced and debated. In the first chapter of *Global Economies*, Martha Starr examines the representations of globalization that are constructed in print media, focusing particular attention on the popular press (such as *USA Today* and *Time Magazine*) and the more high-brow *The Economist*. Her view is not only are there fundamental differences between those representations – the more popular outlets tend to show globalization as a “complex, uncertain process” that holds potential risks for the middle-class, while, for *The Economist*, it is a progressive force that advances a universally beneficial project – those differences matter in the sense that they shape how globalization itself works. Starr characterizes the discursive structure of popular press stories in terms of certain narrative “rules and regularities,” for example, the fact that stories often start from the perspective of “ordinary” individuals – a worker, a CEO, a group of farmers and fishermen – who struggle through difficult situations created by the forces of globalization. Such narratives can be contrasted not only with those of mainstream academic economists (who tend to emphasize the “abstract, positive” dynamic of globalization) but also with those of *The Economist*. Written for a “highly educated and internationally oriented” readership, the stories one finds in *The Economist* regularly invoke a distinction between “valid” and “ersatz” economic knowledge in order to counter criticisms of globalization and demonstrate its progressive potential. It’s not that the poor and other “victims” are forgotten or overlooked by *The Economist*; as Starr explains, they are often represented in photographs, quantitative studies and compassionate words but an improvement in their fate rests not with the critics but, rather, with those people who are currently directing the process of globalization. For Starr, these different ways of constructing knowledges of globalization matter precisely because – and she uses the 1996 example of press

coverage of Kathie Lee Gifford and sweatshop labor – they play a role in “struggles over power in the dense network of forces involved in shaping how globalization unfolds.”

In his analysis of how the recent upsurge in the international outsourcing of services from the United States has come to be represented in academic and everyday debates, Will Milberg is quick to point out both that academic economists tend to discount much of the popular writing on outsourcing and that fundamental disagreements have emerged within each group – academic economists as well as everyday economists. In general, Milberg notes, most academic economists support free international trade. Thus, as in the case of Gregory Mankiw, they seek to demonstrate that outsourcing is no different from other forms of international trade and thus is a “plus for the economy.” Still, Milberg finds evidence of increasing dissension within the ranks of mainstream academic economists, as traditional advocates of free trade, such as Paul Samuelson and Ronald Jones, have recently expressed skepticism about the relevance of the principle of comparative advantage (according to which all countries benefit from trade if they specialize in the production of goods for which they have a relative, not necessarily absolute, cost advantage). But much of the concern about the effects of outsourcing have come from outside the ranks of mainstream academic economists. And, yet there, Milberg finds a wideranging, even strident debate, with some (like Lou Dobbs) openly rejecting much of free trade theory, while others (such as Thomas Friedman) side with the conclusions of the free trade model. What about the facts? Can the debate be resolved, as is often believed, with empirical evidence? As it turns out, one famous study, by Lori Kletzer, is cited by both sides of the debate as confirming their concerns about the effects of outsourcing. In the end, Milberg raises questions about the extent to which academic economists can hide behind the idea that, while others (especially nonacademics) are pursuing “special interests,” their form of analysis is above any and all particular interests. He also rejects the view that the debate concerning international trade can be characterized by the usual alignment of academics in favor and nonacademics against. And, he suggests, this “pattern of contention within both the academic and popular spheres” probably characterizes many economic policy debates.

## **> Representational economies**

Judith Mehta places her identity and interests front and center in her analysis of economic representations. And, while much of academic economics (not unlike elsewhere in the academy, although certainly in a more exaggerated fashion) is about erecting and policing boundaries, Mehta’s self-representation deliberately disturbs, deconstructs, and defies many of those boundaries. She (and I and other people who are active in and around academic economics) work within a discipline that is preoccupied with forms of representation that emphasize texts characterized by “linearity, fixity, and closure” as well as “originality and authenticity.” One alternative, then, is to explicitly incorporate elements of serendipity, variability, openness, and bricolage in discourses aimed at dialogue. One aspect of the problem

of economic representations is the dominance or hegemony of neoclassical economics, a theory with which Mehta explicitly engages and with which she works – in part, because she is opposed to its silencing and, in part, because in her view it simply can't be avoided. But she is also a prominent member of the Association for Heterodox Economics (AHE), an association (like the US-based International Confederation of Associations for Pluralism in Economics (ICAPE) dedicated to fostering pluralism in the discipline of economics and to strengthening the presence of heterodox economic approaches within the discipline.<sup>14</sup> Her own work, of which she provides excerpts in her chapter, often combines the two: for example, devising formal games and then showing how the usual narrative of self-interested actors seems not to coincide with the players' own understandings of the game. She also introduces other topics: the ways in which the narrative of property rights that emerged in modern Europe fails to take into account the experience of other countries; the role of the "indigo effect" – the idea that the objects and tools of representation are not separable; and the fact that a "wide range of identities, values, and practices are rendered invisible" when production is reduced to its calculable dimensions. Throughout, Mehta draws attention to the forms – mathematical, factual, typographical, and so on – in and through which knowledges, especially economic knowledges, are presented. She then questions the usual distinctions between form and content, between the analytical work and that which is taken as mere ornament. Her chapter is a concrete example of how the project of economic representations is a way of challenging and overwriting the rules that "determine what may said and how one may say it."

Representations of one particular economy, that of Appalachia, have figured prominently in US history and historiography. And, according to Mary Beth Pudup, the main thrust of those representations, produced mostly outside the region itself, has been Appalachia's "otherness." What Pudup considers to be the myth of Appalachian regional identity stems from the attempt, on the part of US culture, "to locate within itself some part, some other part, ostensibly untainted by the crass commercialism of capitalist society." But the blissful aspects of the myth – homespun, the virtue of working on the land, the hardscrabble life of coalminers, community with kin and neighbors – are accompanied by a dark side – especially the persistent culture of poverty, the seeming refusal of material progress – such that Appalachia and its people have often been treated with disdain and derision. Pudup traces this myth to the turn of the twentieth century, when the subjects of a rapidly urbanizing and industrializing country – writers, missionaries, arts and crafts revivalists, music scholars and others – "discovered" the region. And while a great deal of recent scholarship (including studies by natives of the region) tends to reinforce Appalachia's otherness, by placing Appalachia within a larger American context, Pudup identifies some exceptions – such as Dwight Billings and Kathleen

14 ICAPE was formed in 1993. More information can be found on its website: <http://www.icape.org/> (accessed: 25 June 2007).

Blee's *The Road to Poverty* and Robert Schenkkan's Pulitzer Prize-winning play *The Kentucky Cycle* – that reinscribe American history into the history of the region. But their approach raises the larger question of what Pudup calls the cultural myth of American capitalism. Her view is that belief in the free market constitutes American identity, which creates a blindness to spaces where the free market “didn’t quite work its magic.” Appalachia is one of those spaces. Thus, historians have chosen not to find American history in Appalachia, which has the effect of maintaining the “cherished myth of free market beneficence.” In Pudup’s view, the two sides of Appalachia’s otherness disrupt this myth of American capitalism: while the culture of poverty discloses the tragic consequences of integration into capitalist markets, the culture of homespun offers the hope of living a better life outside capitalism. Both representations, therefore, transform Appalachia into a space of an anticapitalist imaginary.

### > Academic economies

All four authors in this section take up the problem of economic representations from inside the academy but outside the discipline of economics. Evan Watkins discusses three ways economic discourses and practices are in the process of transforming the discipline of English. He begins by showing how the New Historicists (scholars such as Stephen Greenblatt and Catherine Gallagher) have given over to economic formations “a kind of authority as both ground and figure” in analyzing cultural artifacts and events. But Watkins is quick to point out that the economics that enters the New Historicism “would hardly be recognizable” to academic economists; he traces the origins, instead, to the work of Michel Foucault and to such disciplines as Anthropology and Sociology. Economics plays a different role in global studies which, in eclipsing world literatures, has borrowed heavily from ethnic studies and postcolonial theory. According to Watkins, scholars in these areas engage more directly with theories and policies on topics – such as third world development, labor markets, and outsourcing – that academic economists produced or with which they would be familiar. In fact, Watkins believes that, the crossover effect of global studies and economics has generated a “real openness” to heterodox economics, “those directions that exist outside the mainstream of academic economics as a discipline.” And yet, while the relationship of English to money remains “odd,” a wide variety of economic issues – conflicts around labor and pay scales, department budgets, and so on – currently impinge on decisions of individual faculty members, curriculum programming and organizational shifts. Watkins focuses his attention on two issues within this mix: the conversion of job searching into the consumption of work (on both sides of the market) and the movement of humanities faculty into administration (where both the pay is higher and the ranks are growing). Watkins’s view is that, alongside their scholarship in postcolonial and global studies, members of English departments need to become aware of and develop the analytical skills to make sense of the economics of work and management and their effects on undergraduate education.

Denise Bielby, for her part, chooses three examples of social institutions within contemporary society – the family, the workplace, and the media – to show how the representations produced by “new” economic sociologists (building on the insights of the “classics,” Marx, Weber, Durkheim and Simmel) differ in important ways from those found within the mainstream of academic economics. In the case of the family, characterized by an unequal division of labor in household and paid work, Bielby argues that social exchange theory (according to which spouses pursue their self-interest, and the one with more resources is better able to do so) takes gender differences (e.g., in the distribution of resources) to be exogenous. And that is precisely what feminist economic sociologists seek to explain, in terms of the effects of gender ideology and gendered institutions. So, their representation of decisionmaking within households depends, as the usual neoclassical models do not, on how the symbols and meanings of femininity and masculinity are negotiated. Similarly, when economic sociologists analyze gender differences around the workplace – for example, in the relationship between work effort and earnings – they depart from the human-capital and efficiency-wage approaches utilized by Gary Becker and other neoclassical economists in the sense both that work effort seems *not* to explain the gender wage gap (as presumed by many mainstream economic models) and that social ties, particularly those shaped by gender, are crucial in explaining the context within which paid work takes place. As for the media, while the mainstream economic story is of rational, profit-maximizing firms, Bielby and other economic sociologists have discovered sustained patterns of discrimination (in terms of age, race and gender) within the domestic industry – thereby introducing elements of risk and uncertainty; they have also highlighted the role of embedded social networks and the aesthetic valuation of the commodities produced by the television and film industries – which make global markets chaotic, unruly, and unpredictable. While Bielby makes clear her intention *not* to “draw lines in the sand,” hoping that the work of economic sociologists will someday be taken seriously by mainstream academic economists, it is still the case that the kinds of issues emphasized by the representations produced within economic sociology – especially the effects of culture on economic behavior and institutions – remain mostly the province of heterodox and not mainstream academic economists.

It is rare in much of academic economics – whether mainstream or heterodox – to find representations of ancient economies. However, as both Christina Halperin and Thomas Patterson demonstrate, not only do archaeologists investigate the economies of ancient societies; they do so utilizing concepts and theories that, at least in part, overlap with those produced by academic economists to analyze modern economies. Halperin focuses her attention on two sets of archaeological representations of craft production: the so-called macro-scale lens that emphasizes cultural evolution and the micro-scale lens that calls attention to such issues as gender. Within the classic texts of the macro-scale approach, craft production marks a crucial stage in human “progress” in the sense that it signifies the emergence of social and political complexity. But there the agreement ends: while some archaeologists explain the rise of craft production in terms reminiscent of, if not directly borrowed from, neoclassical economics (based on the decisions of

rational actors to maximize profit and minimize costs), other scholars emphasize more Marxist factors (such as the social relations of production or the power of political elites). In general, though, macro-scale perspectives tend to overlook the role of gender which, Halperin notes, arrived relatively late in both disciplines, archaeology as well as economics. And, as it turns out, in looking at craft production at the micro-scale, archaeologists have found that simple or uniform gender distinctions are relatively difficult to discern, since there appears to be no fixity of the gendered division of labor across time or cultures. What is important to understand, Halperin insists, is how the representations that are produced of ancient economies reflect contemporary concerns (inside and outside the academy) and, at the same time, how the archeological record resists and serves to highlight contemporary biases.

Patterson, for his part, examines the work of archeologist Timothy Earle who, in Patterson's view, has elaborated "some of the discipline's more thoughtful analyses and representations of the economy in recent years." Earle's over-arching framework is continuous with the evolutionary tradition outlined in the previous chapter by Halperin but his sources are decidedly eclectic. What interests Patterson is Earle's use of the writings of Marx and Engels, which gives particular content to the meaning of evolution. After reviewing some of the central concepts in Earle's approach (especially his focus on three "factors of production" – labor, land, and capital – which, in broad outline, could be borrowed directly from neoclassical economics, and in a manner quite different from their meanings in Marxian economic theory), Patterson concludes that, while Earle clearly breaks from the teleological account of evolution associated with Herbert Spencer, and therefore focuses on historical development rather than the progression from one stage of development to another, his work is closer to the concerns of Lewis Morgan (emphasizing the unfolding of ideas and inventions) than those of Marx and Engels (and their focus on structural contradictions). But Patterson credits Earle both with encouraging a dialogue between the ideas of Morgan and Marx, as well as with latter-day interpreters of both, and with resisting the temptation to reconstruct the past in terms that are quite common in the so-called formalist tradition: rational economic man, a dichotomy between the economies of traditional and modern societies, the assumption that markets are present everywhere and in all times, or even the idea that there are clearly defined economic processes or institutions in early societies. And, while Patterson offers criticisms of what he considers to be absences in Earle's account of economic development in the rise of state societies (such as transformations in the division of labor and the relationship between class and state formation), he views Earle's work as a welcome antidote to the homogenized and simplified representations of the economies of "primitive" societies that have become the norm in contemporary textbooks.

## **> Development economies**

Beginning in the nineteenth century and continuing through today, a wide variety of economic representations of Appalachia have been inwrapped and invoked

in support of political projects, on both the Right and the Left. During the period between the Civil War and the Great Depression, Dwight Billings argues, Appalachia was imagined to be a homogeneous society whose culture and economy were both isolated and backward. But this general model supported different projects, from the “discourses of uplift” that addressed Northern benefactors to “discourses of displacement” articulated by developers and corporations eager to expropriate the region’s timber and mineral resources as well as defenders of child labor. Later, during the 1930s, several other representations competed for authority: while federal policymakers described Appalachian agriculture as subsistence-oriented and therefore unproductive (thereby justifying projects like the Tennessee Valley Authority, which supplied cheap power for southern economic development and forced mountain farmers into the waged labor force), other images were put into circulation: cartoons of lazy hillbillies that justified external ownership of land and mineral rights, the notion of a “mountain culture” that needed to be preserved by reformers, and the symbol of native class militancy and imminent proletarian revolution promulgated by the US left. From within the region itself, Depression-era songs described the effects of poverty, the difficult labor conditions, and the union-organizing activities. Billings shows how many of these representations were recycled during the 1960s and then contested by a new generation of scholars and activists in the 1970s. They produced alternative representations, using such concepts as “internal colonialism” and the “accumulation of capital,” which fueled both citizen reform movements and labor militancy. And, in Billings’s view, the battle over economic representations continues to this day, as some state agencies, focusing on economic “distress,” remain committed to recruiting branch plants of large corporations, while economic activists, inside and outside the region, contest the “low road to economic development” and have devised a wide variety of alternative development strategies. Billings’s view is that the new everyday economic knowledges that are being created, including those influenced by Pentecostal churches, are transforming both local identities and the means of economic transformation.

David Ellerman also discovers a set of problematic representations in economic development, which, as it turns out, are similar to those in conventional approaches to education. The accepted view of development assistance (such as the one currently being peddled by Jeffrey Sachs) is what Ellerman calls the pipeline: “put more aid money and technical assistance into one end and more development will come out the other end.” Education is also often conceived in terms of a pipeline: teachers supply knowledge (through the pipeline of courses and classroom lectures) and students become “educated.” The problem, as Ellerman sees it, is that the help provided by teachers generally precludes self-help. The first step in changing this situation is to increase awareness that assistance can be unhelpful, such as one educational organizations create forms of ownership on the part of teachers. The alternative is based on a different economic metaphor: create situations in which learners (who are now “doers”) own the fruits of their labor. For Ellerman, the “whole modern industry of development” has been

plagued by a similar problem, what Ellerman calls cargo-cult reforms. The idea is to install appropriate, “advanced” institutions in developing and post-socialist countries. The best example is the rush to create stock markets, a “quasi-religious totemic representation of a market economy.” What Ellerman proposes as an alternative to development agencies’ initiating projects is their finding embryonic projects, positive changes that are already started. Instead of transplanting “best practices,” which promotes neither active learning nor lasting institutional change, the goal should be to assist recipients in becoming the “doers of their own development.” For Ellerman, the alternative requires not only a change of strategy but a fundamental rethinking of the representation of what development is and what development assistance entails.

Modernization or Western-oriented developmentalism has been forced upon China – and not just through the radical Deng Xiaoping Reform initiated in 1979. Kin Chi Lau traces the origins of the effort to make of China a world power through notions of linear progress and the benevolent power of science and technology at least as far back as 1919. What concerns Lau is that a “regime of truth” has naturalized modernization to the point where the problems of poverty and exclusion are attributed to the remaining backwardness of rural life and not, for example, to rising inequalities and class antagonisms. Her approach is to treat representations not as objects but as relations, particularly in terms of their affective force, as they encourage certain dispositions of the self. Thus, for example, Lau views the 1999 film *Not One Less* as evoking sympathy for the rural poor on the part of urban intellectuals and the middle class by affirming a certain conception of the modern self among viewers, for whom the solution is therefore more modern education to eliminate poverty. In this sense, the film neither disrupts the audience’s sense of its self nor does it question how the poor Others are naturalized as objects of sympathy. In Lau’s view, the story of the film has been considering so “moving” because it manages to create a real (albeit abstract) concern with the problems of rural poverty and education while echoing viewers’ own “habitual ideas” about the causes, manifestations, and solutions to these problems. But there are resistances to China’s path of incorporation into globalization and, for Lau, one of our responsibilities is to disrupt the “representational closure” created by films like *Not One Less* so that the people themselves can deal with the problems in their specificity. One example comes from Dark Dragon Pond in Shanxi Province, where villagers rebuilt the temple of the mythical Dark Dragon and now use the proceeds from visitors to create new cultural and social services and to build economic infrastructure. In this case, folk culture works, in Lau’s alternative representation, against the existing pattern of development to create a public authority different from the existing system of power, which creates the possibility of resisting globalization. At the level of representation, what this example shows (along with others Lau discusses in her chapter) is that rural reconstruction is, among other things, a cultural project of resignifying the meaning of development and sustainability which, in practice, seeks “to rebuild cooperation within and among local groups” that frees them from dependency on capitalist globalization.

**> Cultural economies**

For the most part, economics and culture are kept separate – not, of course, in the real world of mass consumption, music, and media but in the academy, in the study of economics and culture. Toby Miller does note that, from the side of economics, a small group of neoclassical economists has formed the Association for Cultural Economics. But, within mainstream economics, culture is mostly a “side-bar to the main theoretical and applied business of rent-seeking academics.” And Marxist economists have generally excluded culture as “unproductive.” On the side of cultural studies, Miller thinks things are more positive, especially to the extent that scholars have paid attention to issues of identity and inequality in studying the production of consumption within different subcultures. But, even there, during the 1990s, “some powerful strands” of cultural studies “lost political economy as their animator” to the extent that they imagined “all-powerful creator-consumers” and lost sight of labor. Referring to himself as “vernacular economist,” Miller views culture as more than a set of textual signs or everyday practices; it is crucial – as a growing sector of commodity exports and imports, as a “legitimizing ground” on which social groups claim resources – to the economies of both advanced and developing countries. And Miller sees signs, at least in the arena of cultural studies, that political economy has reasserted itself – in linking a critique of neoliberalism to studies of consumption, in analysing the role of mass-media technologies (radio, television, the Internet and so on) in the formation of identities. Yet, labor and work still tend to be overlooked in contemporary media studies. Therefore, Miller calls for an alliance between socioeconomic and representational analysis, a blending of “the best political economy and the best cultural studies,” in order to identify moments of both crisis and hope, to analyse the structures within which culture is produced and consumed. Such as in the world of electronic games, where fee-paying players are involved in modifying the software and sign away their intellectual property as they do so, while wage-paid players win weapons and other rewards, which their employers sell to other players who have more money than time to participate in the games. Where, indeed, does labor end and consumption begin?

Music is one important area of popular culture where everyday economic representations can be found. Ruben George Oliven finds that male composers allow themselves to express private feelings – their weaknesses, their fear of losses, their sentiments towards women – in the music they compose and that money is a central theme in their songs. In comparing songs in Brazil and the United States, Oliven notes that the two societies are characterized by quite different conceptions of money. Thus, for example, money is considered less polluting in the United States than in Brazil, and North Americans are much more willing to speak of money than are Brazilians. And, in Brazil, “dirty” money is part and parcel of a culture that values idleness over work. Of course, money doesn’t appear alone in these songs; in addition to labor, it is bound up with notions of race, gender relations, love and much more. Ex-slaves in the United States are criticized for not having adopted a capitalist work ethic while, in Brazil, they are apparently proud

of their “inherited” idleness. In both countries, women are seen (by the mostly male composers) as demanding money from men, or men who have money and are willing to work for it. The superiority of love over money is also a central theme in the music of Brazil and the United States: money is scarce but love is abundant. And when money (not to mention a way of acquiring it) is scarce, then what remains is dreaming – of winning the lottery, of things that are free on the “Big Rock Candy Mountain.” But things change between the first and second halves of the twentieth century, as it becomes harder and harder to imagine living without money. According to Oliven, “money becomes more and more part of everyday reality.”

The economy is also represented in a wide variety of other popular media, including television shows, novels, children’s books, and websites. When it comes to the issue of border economies, the mass media often show images of capsized boats and undocumented immigrants clambering to shore or captured trucks and families attempting to cross miles of desert. For Ursula Biemann, however, the event of crossing requires a different set of representations: not icons of the simple trespassing of a line but videographic recordings that document the “plurality of passages, their diverse embodiments, their motivations and articulations.” In her chapter, Biemann explains the origins and orientation of the video *Europlex*, which she made in collaboration with Angela Sanders, a visual anthropologist. For her, the cultural meaning of the Spanish-Moroccan border is created in the everyday mobility that is lived out on a translocal level – from the container ships from West Africa to the commuting housemaids. The three “border logs” produced by Biemann and Sanders are designed to highlight the role of video as a cognitive tool, which registers both the spatial and temporal dimensions of movement in and around the border, and to document the diverse practices that make and remake the border space. These include smuggling activities and the daily journey of Moroccan maids that circumscribe the border of the Spanish Enclave Ceuta and the participation of Moroccan women in manufacturing plants located in the transnational zone near Tangier. While Biemann clearly understands the global dimensions of these practices, the goal is not to focus on the global players but on the “counter-geographies” and “dissident practices” through which local participants engage in semilegal actions and improvise alternative economies – and thus give concrete meaning to the border space.

## > Everyday economies

Over the course of the past decade, North Americans have found it virtually impossible to avoid being bombarded with economic images, especially those representing the stock market. Banner headlines in newspapers, advertisements in magazines, financial shows on television, how-to books on newstands – all entice and enlist small investors to engage in financial speculation. Urs Stäheli is particularly interested in how the stock market is made visible, especially for those who are not already market participants. The problem is, the financial economy does not have the ready-made visual iconography of other areas of the economy, such as production and work; the self-referentiality of the stock market – it consists

of a set of financial expectations in the form of prices that refer to still other expectations – makes it mostly invisible. Its visual identity needs to be constructed. In general terms, Stäheli argues that popular economic representations work to create economic identities in two registers: to show how the system works (how it is different from the environment within which it is constituted) and to establish the boundary of inclusion/exclusion (of who can be considered a legitimate participant and who is not). In the case of the financial economy, representational strategies need to solve these two separate problems of identity formation. Stäheli uses the example of *The Wall*, a 1999 commercial created for the US broker Datek Online, to illustrate the “ambiguities and paradoxes” created by the articulation of these two issues of representation. The first is tackled by showing the impressive architecture of the exchange, financial information on computer screens, and the trading crowd. The resolution of the second issue involves two types of crowds – one inside (the professionals on the trading floor with telephones and computers), the other outside (reduced to their bodies and clothes) – with two walls between them. When the glass panel of the visitors gallery shatters, the two issues of market and crowd become articulated. One interpretation celebrates the unconditional openness of financial markets, which is made possible by the new media. According to Stäheli’s second, more unsettling reading, what is represented is the impossibility of unifying the market with the idea of inclusiveness: the white rain of the crowd destroys the media that were originally supposed to make the market visible and readable by the general public.

Agriculture is, of course, another important site where everyday economic representations are produced and contested. In Kentucky, the Community Farm Alliance (CFA) has been involved in changing the way the agricultural economy is represented and organized since the mid-1980s. Dwight Billings and I decided to interview the Alliance’s director, Deborah Webb, about the CFA’s efforts to challenge existing representations of Kentucky’s rural economy, including the notions of expertise associated with those ideas, and to put forward an alternative vision of farming and a different conception of expertise. Born out of one in the long line of crises that have engulfed family farms in the United States, together with the denial of responsibility on the part of agricultural specialists in the government and universities, the CFA set out to organize farmers based on the idea that they, the farmers, “knew their problems” and together could forge solutions to the crisis. Based on its initial successes, the CFA was then able to mobilize support for farmers to obtain control over a portion of the tobacco settlement with the idea that the funds would be used by county councils to help farmers move from growing tobacco to creating a more diverse, regionally oriented farm economy. In order to make this work, the CFA had to challenge the state’s agribusiness Blueprint and to formulate a different vision, that of a Locally Integrated Food Economy (LIFE). It also had to struggle with a certain amount of cynicism or negativity among an older generation of farmers, to reach out to younger farmers – and to groups and institutions in urban areas. One of the CFA’s most successful recent projects has been to organize a farmers’ market in a low-income, predominantly African American neighborhood in West Louisville. But of course there are the

naysayers, who contend that such markets can only be on the “high end,” to which Webb responds that the conventional wisdom suffers from a “lack of imagination.” It’s necessary to challenge what others – in agricultural extensive services, state government and the state university – take to be common sense and to create something different: a different food system and a different relationship to the agricultural economy within which the food is grown.

## > **Alternative economies**

Kentucky’s CFA is clearly not the only group involved in creating an economy that represents an alternative to the capitalist model that predominates – in agriculture but also in industry and services – in the United States (and that is being recreated around the world). Chris O’Brien, a long-time activist in the cooperative movement, argues that craft beer also represents an economy that rejects the corporate vision. In place of the idea that beer is a commodity in a corporate economy, craft beer places value on community and sustainability. According to O’Brien, the roots of this alternative beer economy can be found in earliest recorded history, to the extent that brewing has played an important social – religious and medicinal as well as economic – role in a wide variety of civilizations. And, for most of that history, women controlled the brewing process, and still do in sub-Saharan Africa. What economic roles did it play? Barley cultivation for brewing beer was a stimulus for settled agriculture and both barley and beer have long been traded in barter economies. In the case of Western Europe, O’Brien traces the evolution of beer production from housewives to the Catholic Church and thence to private merchants while, in the United States, before and after the War of Independence, beer production remained a relatively local, home-based activity. Later, beer production followed the path of American economic development: first, beer production was industrialized; then, the industry itself was concentrated and the number of US breweries shrank. Today, around the world, beer is the most popular alcoholic drink and the top five beer companies control more than half the world’s total beer sales. At the same time, the number of homebrewers and small, craft breweries has increased dramatically. And, for O’Brien, this grassroots movement of “small, traditional, and independent” brewers offers a representation of the economy that runs counter to that of corporate globalization: diverse styles of beer (including the rediscovery of old recipes); efforts to protect the environment; experiments with local ingredients; involvements in local social organizing; and much more. O’Brien’s view is that home and craft brewers and drinkers are, in fact, creating an alternative – community-oriented and ecologically sustainable – economy.

The problem, as it turns out, is that many people find it hard to imagine the viability of a sustainable economy. Stephen Healy and Julie Graham, in the final chapter of this volume, take up the issue of why there is so much pessimism concerning the possibility of creating alternative economies, and how it can be overcome. They identify the source of that pessimism in an everyday economic discourse according to which development is governed by

an “incontrovertible logic” that is located “outside community and environment,” which leads to a widespread faith in an export-based strategy of development. Healy and Graham turn to psychoanalytic theory to understand the subjectivity of development professionals who (like many of us) suffer “castration” when it comes to the economy. Thus, in their view, the global economy operates as a castrating father while the firms local communities are attempting to attract to form the export base perform the paternal function in playing one community off against another. The same pattern holds for environmentalism: either we refuse economic development or we accept an uneasy compromise between development and protecting the environment. For Healy and Graham, one way beyond this impasse is to develop a different economic language, one that is able to “disrupt the fantasy” of a singular logic of development by representing the economy as a diverse terrain of both capitalist and noncapitalist processes and sites. This is what they have done as part of their action research activities, the Rethinking Economy Project, in the Pioneer Valley of Massachusetts. They describe the manner in which they have worked with local participants to document the existence of a diverse economy in organizational forms, the way transactions take place, and labor is performed and remunerated but admit that it’s still been difficult to dislodge capitalism from its position of authority. Their solution has been to devise a “community economy” as a way of thinking about the diverse local economy in a manner that does not prioritize one particular form of organization or activity and yet still can be used to meet community needs for environmental conservation. They offer three concrete examples of such an approach: *Nuestras Raices*, a community-based garden program in Holyoke, Massachusetts; *Mondragón*, the complex of worker cooperatives in the Basque region of Spain; and the *Mararikulam* experiment in Kerala, India. In all three cases, the natural environment is understood not as a limit to growth but as an integral aspect of community well-being. For Healy and Graham, the people involved in these projects have effectively established their freedom from the castrating figure of capitalist economy.

## **Beyond economic representations**

The chapters in this volume do not exhaust the field of economic representations. Much more remains to be done, both in documenting the existence of languages and images of economy beyond those normally taken to be “economic science” and in elaborating still other representations. The worlds we live and work in – both academic and everyday – are saturated with such economic representations.

Those of who have contributed to this volume don’t own this research project. If we have helped readers recognize that such diverse representations can and do exist, and provoked them to take up one or another dimension of this project in their teaching, research, or activism, then we will have done our job.

One final item, then, this from Michel de Certeau (1984, 27):

Let us try to make a *perruque* in the economic system whose rules and hierarchies are repeated, as always, in scientific institutions. In the area of

scientific research ... working with its machines and making use of scraps, we can divert the time owed to the institutions; we can make textual objects that signify an art and solidarities; we can play the game of free exchanges, even if it is penalized by bosses and colleagues when they are not willing to “turn a blind eye” on it; we can create networks of connivances and sleights of hand; we can exchange gifts; and in these ways we can subvert the law that, in the scientific factory, puts work at the service of the machine and, by a similar logic, progressively destroys the requirement of creation and the “obligation to give.”

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The conversation that served as the basis for the Riverside conference originated during a “team residency” at the Rockefeller Foundation’s Bellagio Study and Conference Center. Many of the people who met there for the first time were able to join the larger group that assembled in Riverside, thus serving to continue and expand the conversation among scholars and activists from diverse countries, disciplines, and fields.

My own work on this project has benefited from opportunities to present my ideas in a number of venues, in addition to Bellagio and Riverside, including the Department of Economics at Roosevelt University, the University Program in Cultural Studies at the University of North Carolina-Chapel Hill, the Pioneer Valley chapter of the Union for Radical Political Economics, the Conference on the Future of Heterodox Economics at the University of Missouri-Kansas City and the Subjects of Economy conference at the University of Massachusetts-Amherst.

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**Part I**

# **Global Economies**

# 1 Globalization in popular media and through *The Economist's* lens

## Knowledge, representations and power

*Martha A. Starr*

The phenomenon known as “globalization” is discussed and debated in a variety of different contexts. It is studied in many academic disciplines, as well as in interdisciplinary domains. The popular media cover issues related to globalization when they seem “newsworthy”: the opening of McDonalds in Beijing, the discovery of sweatshop labor in Kathie Lee Gifford’s Wal-Mart clothing line, clashes between police and anti-globalization protesters, and closures of call-centers due to offshore outsourcing. Financial and business press devote attention to opportunities and constraints associated with internationalisation of production, distribution, communications, and sales.

These varied images figure into diverse “representations” of globalization – by which I mean broad understandings of its characteristics, dynamics, causes, and consequences. Some representations are explicitly constructed, publicized, and defended against alternatives – as in the neoliberal narratives offered by the World Bank (WB) and the International Monetary Fund (IMF), or the critical narratives of groups that oppose corporate globalization, such as Global Exchange.<sup>1</sup> But there are also what we can call “implicit representations” arising from media coverage of globalization-related issues, formed as people pass the images and ideas they encounter through the filter of their own perspectives and experiences, and build understandings of their own. These diverse representations – unfurled in different venues, to different audiences, with different ends – *matter* in so far as they affect the dense networks of forces and relations that shape how globalization unfolds. Thus, for example, they may affect such varied processes as: the buying behavior of first-world consumers, the bargaining power of labor, the success and freedom from regulation of multinational corporations, the mandates of elected officials, the authority and funding of the international financial institutions, and shifts of authority for regulating international trade and investment from national into supranational domains.

<sup>1</sup> See, for example, Collier and Dollar (2001) and Danaher (2001). Cullenberg (2004) analyzes correspondences and contrasts between critical/everyday and academic representations of globalization.

In this chapter, I examine two sets of representations of globalization: those offered in widely read popular press like *USA Today* and *Time Magazine*, and that of *The Economist*, a UK-based weekly magazine targeted to a highly educated, internationally oriented readership. Whereas popular media tend to show globalization as a complex, uncertain process that entails risks to middle-class lifestyles, *The Economist* presents a vision of globalization as a highly progressive force necessary for the continued advancement of the modern humanist project. Examining these portrayals of globalization yields valuable insights into how representations are constituted, how struggles between them are conducted, and how they *matter* in the sense outlined above. In a nutshell, I argue that, while popular press representations consistently feature *ordinary people* making their way valiantly through difficult situations produced by globalization, in the process validating “middle-class” work and consumption patterns, *The Economist*’s representation of globalization is an exercise in power, aiming to appropriate for liberal economists and like-minded others the authority for characterizing globalization and for steering its course.

## Representations of globalization: Academic and popular media

In recent years, issues of “globalization” have been widely discussed in both academic and popular-media circles.<sup>2</sup> In the burgeoning field of “globalization studies,” globalization is generally portrayed as a multifaceted phenomenon involving cultural, social, personal, and political, as well as economic dimensions.<sup>3</sup> There has been substantial discussion within the field about how best to understand globalization and its dynamics – for example, as a continuation of longstanding trends towards global interchange, as an intensification of modern capitalism, or as a new postmodern phase of disorganized capitalism – with many representations generated and lively debate about which one(s) best capture its essence(s).<sup>4</sup> Yet there tends to be recognition that globalization, as a multifaceted phenomenon, can and should be seen through multiple perspectives, including those of groups without power who are affected by globalization and also affect its course.

In formal mainstream economic discourses, in contrast, globalization is almost always understood to be an *acceleration* of processes of economic integration, spurred by free trade, that have been underway for centuries.<sup>5</sup> To be sure, there are lively debates within the economics profession about the levels and distributions of

2 See also Amariglio and Ruccio (2004), chap. 7.

3 While the trend is taken for granted, the continuity of its pace is not (see Baldwin and Martin 1999).

4 See, e.g., Waters (1995) or Benyon and Dunkerley (2000).

5 Economists, while not disagreeing that there are noneconomic elements of globalization, generally confine their analysis to “economic globalization” – defined, for example, by Bhagwati (2004, 3), as the “integration of national economies into the international economy through trade, direct foreign investment ... short-term capital flows, international flows of workers and humanity generally, and flows of technology.”

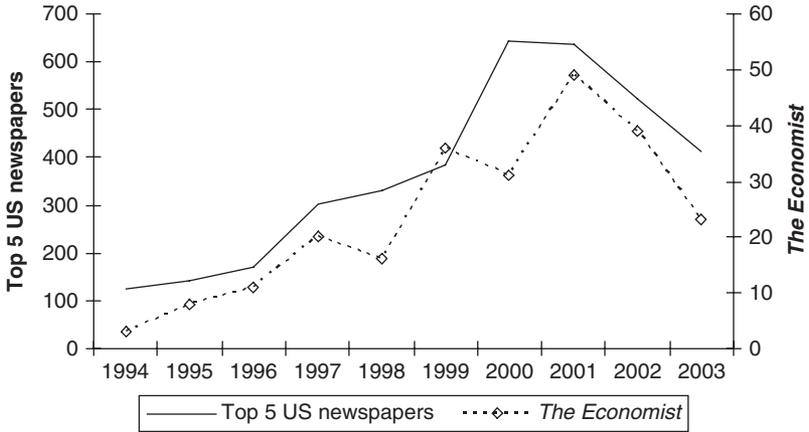


Figure 1.1 Number of articles on globalization per year: top 5 US newspapers and *The Economist*

Source: Author's calculations from the Lexis/Nexis database.

benefits from globalization and the extent to which it has excesses and inefficiencies that public policy should address.<sup>6</sup> However, few mainstream economists would agree that new conceptual frameworks are required to understand globalization: On the contrary, because it is a continuation of free-market, profit-driven growth which economists understand quite well, it is readily approached through the standard core theories of economics, especially those related to trade, exchange rates, wages and labor markets, technology, and economic growth.

Unlike academic discourses of globalization, discussions in popular media tend to be nominally more topical, aiming not to build an understanding of globalization overall, but rather to explore some element of it that has a timely concern. The extent of coverage in the popular press clearly rose in the 1990s: for example, as shown in Figure 1.1, in the top 5 US newspapers the number of articles dealing with globalization rose from about 100 per year in the early 1990s, to a high of 644 in 2000, after which it dropped back.<sup>7</sup> It is sometimes suggested that media representations of globalization portray it positively, consistent with the interests of dominant groups (e.g., Sklair 2000). Yet a review of stories in widely read publications like *USA Today* and *Time Magazine* suggests more of an unordered collection of ideas and images, both positive and negative, which

<sup>6</sup> See, for example, Rodrik (1997), Stiglitz (2002), and Bhagwati (2004).

<sup>7</sup> Author's calculations from Lexis/Nexis data. The top 5 general-market newspapers are *USA Today*, the *New York Times*, the *LA Times*, the *Washington Post*, and the *Houston Chronicle*. To be counted as an article on globalization, this word had to appear in the headline, topic, or first paragraph. While this method excludes some articles on core globalization-related topics, and includes some that concern globalization only tangentially, categorizing articles more carefully does not affect the time-profile of changes in coverage.

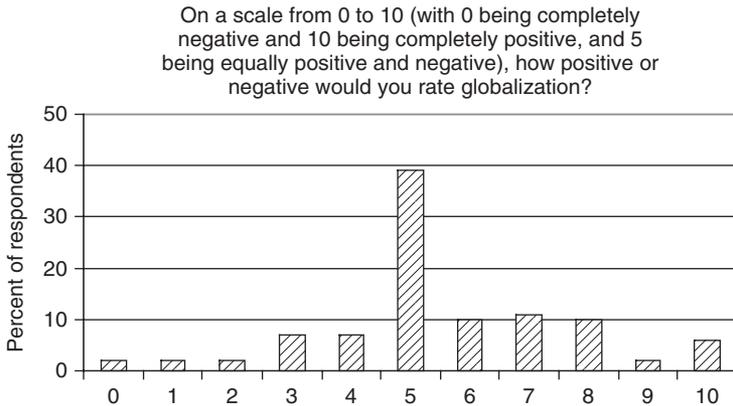


Figure 1.2 American public opinion on globalization, 2004  
Source: PIPA (2004).

are not necessarily shaped into a broader picture. Some articles highlight the marvel of *the new*. As in photos of ox-drawn carts passing advertisements for email service and color printers. Other stories underscore new connectivities between geographically dispersed peoples that global media and consumer culture engender, as when we learn that an estimated 1 billion people watch the World Cup final or that *Friends* is broadcast to 150 different countries and territories or that Starbucks has 7,500 shops in 34 countries, “from Birmingham to Bangkok.”<sup>8</sup> But there is also quite regular coverage of the “darker” sides of globalization, such as sweatshop labor, environmental degradation, outsourcing and job loss, intensified competitive pressures on businesses, and tendencies towards cultural homogenization (“McDonaldization”). Taken together, the image of globalization that emerges from this coverage is one of a complex, uncertain phenomenon, embedding both possibilities of human advancement and anxiety-provoking risks of loss. That this is the way in which people see globalization is suggested by public opinion polls.<sup>9</sup> For example, a 2004 survey conducted by the Program on International Policy Attitudes (PIPA 2004) asked respondents whether they saw globalization as mostly positive, mostly negative, or somewhere in-between; respondents on average viewed it as squarely in between (see Figure 1.2).

Yet there is also in a sense an *everyday knowledge* of globalization that runs through popular press coverage of it – that is, a set of broader narratives used to make sense of its facets. As Amariglio and Ruccio (2004) discuss, mainstream academic economists tend to treat this everyday economic knowledge as unsystematic, unscientific, and, therefore, not actually “knowledge” at all – yet

8 See, respectively, *Washington Post* (6/4/2003: A17), *USA Today* (5/3/2004: 13a), and *Time Magazine* (4/26/2004: 76).

9 Amariglio and Ruccio (2004: 261–62) also consult public opinion polls to gain insights into everyday economic knowledges.

when people's own descriptions of their understandings of economic phenomena are examined, it becomes clear that their knowledge too is based on discursive rules and regularities, just ones quite different from those of academic knowledge. Klamer and Meehan (1999), discussing media coverage of the North American free trade association (NAFTA), point out that these rules and regularities tend to emphasize specific actions and interests of specific people and groups, rather than abstract principles or empirical regularities. In constructing everyday economic knowledge, they maintain, people tend to

personalize the economy; they think in terms of people doing things, of right and wrong, of victories and defeats, of special interests, and of identities. ... These people, and we are among them, think in dramatic terms, of winners, losers and of power (Klamer and Meehan 1999: 69).

In other words, unlike the abstract, "positive" forces invoked in formal economic analyses, here economic dynamics grow directly out of the actions and interactions of people, and values are part of what is at stake.

In popular-press stories about globalization, there are certain rules and regularities in narrative structure that recur across stories. Stories often begin from the perspective of an individual whose life has been affected by a globalization-related trend. The person is portrayed as a "little guy" – an honest, hardworking person trying to keep workers employed or a family supported – yet facing great pressures from the globalizing market economy; this entrée is then used to move to a broader vision of the problem that places the person's struggles in context, using facts, figures, quotes from experts, and so on. Yet, the interest of the "problem" is rooted in understanding the ordinary, well-intentioned person's circumstances, which are framed as difficult and possibly beyond his or her control. Thus, for example, a story about trade in *Time Magazine* works through the case of a textile-business owner:

Jerry Rowland feels the dragon breathing down his neck. He's the CEO of National Textiles, a T-shirt maker in a state that has lost more than 37,000 textile jobs since the US lifted quotas on Chinese imports two years ago. Unless Rowland's North Carolina workers suddenly become competitive with Chinese counterparts who earn just a few dollars a day, he fears his employees will be next. The plainspoken Southerner ticks off what he regards as China's unfair advantages: excessive government protection, an underpriced currency, cowed and underpaid workers, exports dumped below cost. If Washington won't help, Rowland says, he will have to move some jobs overseas. The new quotas slapped on some Chinese textiles last month, he contends, aren't enough. "Our government has done nothing," says Rowland, "just a little bit of hand slapping."<sup>10</sup>

<sup>10</sup> *Time* (2003a).

Similarly, a story about “offshore outsourcing” is told through the eyes of an adversely affected worker:

Vince Kosmac of Orlando, Fla., has lived both sad chapters of outsourcing – the blue-collar and white-collar versions. He was a trucker in the 1970s and '80s, delivering steel to plants in Johnstown, Pa. When steel melted down to lower-cost competitors in Brazil and China, he used the G.I. Bill to get a degree in computer science. “The conventional wisdom was, ‘Nobody can take your education away from you,’” he says bitterly. “Guess what? They took my education away.” For nearly 20 years, he worked as a programmer and saved enough for a comfortable life. But programming jobs went missing two years ago, and he is impatient with anyone who suggests that he “retrain” again. “Here I am, 47 years old. I’ve got a house. I’ve got a child with cerebral palsy. I’ve got two cars. What do I do – push the pause button on my life? I’m not a statistic.”<sup>11</sup>

In some stories, as above, the “villain” of the story is not so much a person or group but unstoppable pressures of market competition. Others have identifiable villains, in the form of large corporations and wealthy people whose interests are advanced by the government. Thus, for example, this story of poor Burmese villagers forced into laboring for oil giant Unocal:

The farmers and fishermen who live in jungle villages along the southern coast of Burma were long overlooked and neglected by their government. And they liked it that way, given the notorious methods of the country’s military dictatorship. But their lives changed horribly, they say, after two oil companies, the US giant Unocal and its French partner Total, began exploiting natural-gas deposits offshore. The gas discovery prompted construction of a \$1.2 billion pipeline through hundreds of miles of rain forest to an electrical plant in neighboring Thailand. At that point, villagers contend, the government began to view them as another kind of natural resource to be exploited. Burmese troops were brought in to provide security and build infrastructure for the project. Overnight, claim the villagers, soldiers forced them at gunpoint to build army camps, helipads and roads. Many fled into the jungle, but others could not escape what they charge were terrible abuses. One victim, a slightly built, middle-aged rice farmer, told *Time* of beatings by Burmese soldiers, who forced villagers to carry heavy loads through the jungle, sometimes for weeks at a stretch. “The government calls us volunteers,” he said. “But the truth is, we were slaves.”<sup>12</sup>

Again, public-opinion polls suggest that this kind of narrative – in which large corporations pursue profits while the interests of “worthy underdogs” like

11 *Time* (2004).

12 *Time* (2003b).

workers, small-business owners, and the poor in other countries get lost in the shuffle – is important to everyday knowledge of globalization. For example, according to the PIPA (2004) survey:

- When asked about their views of government policies towards international trade, people see policies as favoring the interests of multinational corporations, while giving a bit of attention to US businesses (but not enough), and patently neglecting the concerns of the average working person and the environment (see Figure 1.3).
- 53% of respondents think growth of international trade has increased the gap between rich and poor in the US (versus 32% who think it has had no effect and 10% who think it has reduced the gap).
- 53% of respondents, while supporting growth of international trade in principle, are unsatisfied with the government stance towards its effects on American jobs, the poor in other countries, and the environment.
- 69% of respondents view WTO decisions as tending to reflect “what’s best for business, but not ... what’s best for the world as a whole.”

An important question to raise here is *why* narratives about globalization featuring the struggles of ordinary people seem to resonate so well for readers. Certainly such narratives reflect tendencies in news reporting toward “soft” styles featuring “dramatic human interest themes and episodic frames,” versus “hard” styles emphasizing “knowledgeable information sources and thematic frames” (Baum 2004). Also, as Klamer and Meehan (1999) highlight, these narratives can serve

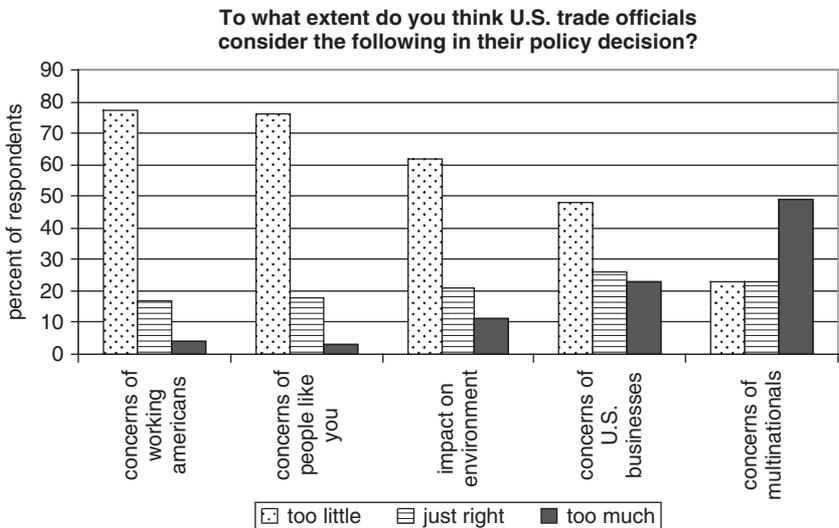


Figure 1.3 American public opinion on trade policy decisions, 2004  
Source: PIPA (2004).

practical functions in terms of readers' lives: many stories aim to convey information to readers about worrisome risks they may face (e.g., "Whom will outsourcing affect next?"),<sup>13</sup> or to help them devise strategies to counter such risks (e.g., "What to do if you fear your job may go abroad").<sup>14</sup> But neither of these factors, of and within themselves, explains the consistent framing of globalization narratives – as stories in which *ordinary people* make their way valiantly through difficult situations produced by globalization, with the odds against them and without government support, all the while recognizably having "right" on their sides.

An important element of such stories is the way in which they position "ordinary people" in the capitalist market economy. Here "ordinary people" are much like the average reader of *Time* or *USA Today*: having a solid "middle class" identity and work and consumption patterns normally associated with rising living standards over the lifecycle. In fact, readers of wide-circulation print-media are somewhat better-educated and better-paid than the "real" Average Joe,<sup>15</sup> and are also different by virtue of their still reading print media<sup>16</sup> – but this is consistent with the tendency for almost everyone in the upper half of the income distribution to see themselves as "middle class."<sup>17</sup> The point here is that, for such people, an important element of this representation of globalization is the risk it entails to precisely that middle-class identity and material lifestyle. While stories highlight these risks, they also portray people's struggles against them as having highly positive elements, namely, defense of core middle-class values like supporting a family or protecting the jobs of others. In this sense, although everyday representations may show the "little guy" to be powerless against the broad, complex forces of globalization, they also understand that person's everyday economic actions to be fundamentally praiseworthy.

## Globalization through *The Economist's* lens

In contrast to the themes of uncertainty, complexity and power in popular press coverage of globalization, the weekly UK-based news magazine, *The Economist*,

13 *Time* (2004).

14 Maher (2004). Klammer and Meehan (1999) also highlight ordinary people's need for such everyday economic knowledge.

15 For example, of the 6.4 million readers of *USA Today*, about one half are college-educated, and median income is \$77,000 (*USA Today* 2004). In comparison, median income is \$42,000 for US households overall, and about 1/3 of the adult population has a college degree of some kind (Census Bureau 2003, 2004).

16 According to statistics from the Newspaper Association of America, only 55 percent of the population read a newspaper daily in 2000, down from 62 percent in 1990. See [www.naa.org](http://www.naa.org).

17 For example, in the University of Chicago's General Social Survey, run since 1972, the share of the population categorizing themselves as "middle class" has been consistently around 45 percent, while the share categorizing themselves as "working class" has also been consistently around 45 percent; apparently only those households at the very high and very low ends of the income distribution see themselves as "upper" or "lower" class. Author's calculations from the survey data, using population weights.

presents a view of globalization that is unambiguously positive and lacking in a dark side.<sup>18</sup> In contrast to *Time Magazine* or *USA Today*, *The Economist* is decidedly not popular media. It is oriented to a readership that is highly educated and internationally oriented. Practically all readers have a university degree, and two-thirds have a postgraduate degree. Although the magazine is based in the UK, only one-sixth of its readers live there: almost one-half live in the US, with another one-fifth in continental Europe, and the remainder spread across the Middle East, Africa, Asia and Latin America. The typical reader is a senior manager in business or finance, having average personal income of \$154,000.<sup>19</sup>

As in popular media, the number of globalization-related articles published in *The Economist* rose considerably after the mid-1990s (see Figure 1.1). Again, the topics covered are varied, with new connectivities between people often highlighted – for example, in a story about Shanghai TV’s plan to broadcast a Chinese version of “Sesame Street” to its 100 million viewers (11/29/97). Yet unlike the popular media, *The Economist*’s coverage also regularly includes articles and surveys directly addressing central questions of how globalization is unfolding, and whether its course could or should be altered.<sup>20</sup> Such articles often take as point of departure a critical stance towards the benefits of globalization, and then analyze the issue in the intelligent, witty, irreverent style for which the publication is known.<sup>21</sup> The themes that recur in this coverage are relatively well-known neoliberal arguments in favour of free-market globalization, rendered in eloquent form; I summarize them briefly here, mostly in the interest of highlighting their unambiguously positive tone:

- *Does globalization involve a radical upheaval of economic, political, social and cultural relations?* Not at all; globalization is a continuation of the extension of free trade and market-based capitalism that has been underway throughout the modern era. To illustrate the continuity, *The Economist* in 1999 cited its own earlier observation that: “On the economic plane, the world has been organised into a single, all-embracing unit of activity” — a pronouncement which turns out to have been made in 1930.<sup>22</sup>

18 See also Starr (2004a) on *The Economist*’s coverage of globalization.

19 Source: [http://ads.economist.com/print/mediakit/worldwide\\_subs\\_2002.pdf](http://ads.economist.com/print/mediakit/worldwide_subs_2002.pdf).

20 Notable collections of articles in this regard are found in the special surveys on globalization in the issues of 9/20/1997 and 9/29/2001.

21 Note that, while it may seem inappropriate to refer to *The Economist* as a monolithic entity, this is in fact the paper’s chosen stance. As its website explains: “Many hands write *The Economist*, but it speaks with a collective voice .... As Geoffrey Crowther, editor from 1938 to 1956, put it, anonymity keeps the editor ‘not the master but the servant of something far greater than himself. You can call that ancestor-worship if you wish, but it gives to the paper an astonishing momentum of thought and principle’” (quoted in the “About Us” section of *The Economist*’s website, accessed 3/12/04).

22 *The Economist* (1999).

- *Are the benefits of free trade ambiguous?* No, they are unquestionably positive, except in a most limited sense. As Adam Smith long ago explained, the “good old invisible hand,”<sup>23</sup> when brought to bear in competitive markets, unlocks great opportunities for mutually beneficial gain: to make profits, businesses must produce goods as efficiently as possible, while aiming to satisfy consumers’ wants and needs; consequently, resources naturally flow into the uses in which they are most valued. To be sure, the extension of free trade into new realms may cause displacement and hardship in the short-run, but such problems are transitory and should be addressed through policies such as re-training assistance.
- *Does globalization exacerbate poverty and inequality?* Not at all: “globalisation, far from being the greatest cause of poverty, is its only feasible cure.”<sup>24</sup> The migration of jobs to low-wage countries creates employment and incomes, without which it would be impossible to achieve sustained reductions in poverty; also, increasing openness to trade provides least-cost access to food and other goods. While the evidence on how globalization affects inequality is more mixed, at minimum there is not any systematic connection between the two.<sup>25</sup>

In a sense, one shouldn’t oversimplify *The Economist’s* representation of globalization, since it is rendered in a thoughtful, eloquent way intended to cater to its readers’ demand for thorough, complex treatment of analytically complex issues.<sup>26</sup> But at the same time, it aims to *eliminate uncertainty* about the progressive character of globalization, and to establish that its complex jumble of dynamics amounts precisely to the familiar neoliberal metanarrative about growth and its causes.

The construction of *The Economist’s* representation hinges as much on *negating the knowledge of others* as it does on positively advancing these views. As is not uncommon in economic discourse,<sup>27</sup> *The Economist* draws a sharp distinction between valid economic knowledge, derived using rules and practices of formal economic discourse, and what Amariglio and Ruccio (1999, 2004) note is sometimes called “ersatz” knowledge, where the latter is dismissed as non-knowledge precisely because (presumably) it does not follow the prescriptions for constituting “scientific” economic discourse. A practice frequently used in

23 *The Economist* (2001a).

24 *The Economist* (2001a: s3).

25 Here *The Economist* (2001b: s12) cites a World Bank study by Dollar and Kraay (2001a) entitled “Growth is Good for the Poor.”

26 Indeed, the notion of bringing superior intelligence to bear on social, economic and political problems has been a hallmark of the magazine since its earliest days, when it billed itself as aiming to take part in “a severe contest between intelligence, which presses forward, and an unworthy timid ignorance obstructing our progress.” See Edwards (1995).

27 For further discussion, see McCloskey (1998), the collection of papers in Garnett (1999), and Amariglio and Ruccio (1999, 2004).

*The Economist* in this regard is to reframe criticisms of globalization as standard economic problems, then show them to be illogical in economic theory and/or unsubstantiated by empirical evidence.<sup>28</sup> Thus, for example, in refuting the claim that poor-country workers are exploited because their pay is so far below that of first-world counterparts, *The Economist* counters that the former could not be as productive as the latter because:

if poor-country workers were being paid less than their marginal productivity, firms could raise their profits by hiring more of them in order to increase output. Sceptics should not need reminding that companies always prefer more profit to less.<sup>29</sup>

Similarly, *The Economist* often invokes the first-principle of *voluntarism* – that people must be doing what they do because it makes them better off than the alternatives – to argue that changing the course of globalization would actually make the poor worse-off:

People who go to work for a foreign-owned company do so because they prefer it to the alternative, whatever that may be. In their own judgment, the new jobs make them better off. But suppose for the moment that [globalization] sceptics are right, and that these workers, notwithstanding their own preferences, are victims of exploitation. One ... course, favoured by many sceptics, is to discourage multinationals from operating in the third world at all. But if the aim is to help the developing-country workers, this ... strategy is surely wrong. If multinationals stopped hiring in the third world, the workers concerned would, on their own estimation, become worse off.<sup>30</sup>

While this point is made to seem obvious from first principles, it also simplifies: even in a mainstream view, individual optimization under constraints (if that is indeed what people do) may or may not dominate a social optimum that involves changing those constraints.<sup>31</sup>

Also consistent with discursive rules of formal economic knowledge, *The Economist* often turns to *quantitative* empirical evidence to validate truth claims about globalization.<sup>32</sup> Thus, for example, in asking whether economic integration

28 Alert readers at times complain about this. For example, a letter to the Editor criticizes an article on a World Bank study as follows: “The report sets out to dispel what the authors describe as the myth that growth is bad for the poor. Nobody ever said it was” (6/28/2000).

29 *The Economist* (2001b: s13).

30 *The Economist* (2001b: s13).

31 Others have argued that these exchanges should be viewed as “trades of last resort” or “desperate” exchanges that should be protected by legislation governing limits on hours, wage floors, and guaranteed health and safety requirements. See Rodrik (1997: 35).

32 In the words of Kelvin’s dictum, “When you cannot express it in numbers, your knowledge is of a meager and unsatisfactory kind” (McCloskey 1998).

or technological progress contributes more importantly to rising inequality, *The Economist* writes:

If it were the latter, that would raise doubts over the sceptics' focus on globalisation as the primary cause of social friction. [In fact,] the *evidence* suggests that technology is indeed much the more powerful driver of inequality. One study, by William Cline, estimated that technological change was perhaps five times more powerful in widening inequality in America between 1973 and 1993 than trade ..., and that trade accounted for only around six percentage points of all the unequalising forces at work during that period. [2001d, italics mine]

Similarly, with regard to the relationship between trade and income growth:

Sceptics about trade use [studies that document] increases in global inequality as evidence that under liberalism the rich get richer and the poor stay poor. Yet that is *wrong*. The countries that have succeeded in raising living standards rapidly, over long periods, have followed many varieties of economic policy and have lived under many different forms of government. What they have had in common, though, has been a policy of opening their economies to trade and to foreign capital.... [A chart included in the current paper as Figure 1.4] shows the World Bank's depiction of the effects of such policies since 1990. Countries that have opened their borders in this way have seen their incomes per head grow rapidly — much more rapidly than either the existing rich countries or those that have not globalised, either by choice or through lack of opportunity. [2003, italics mine]

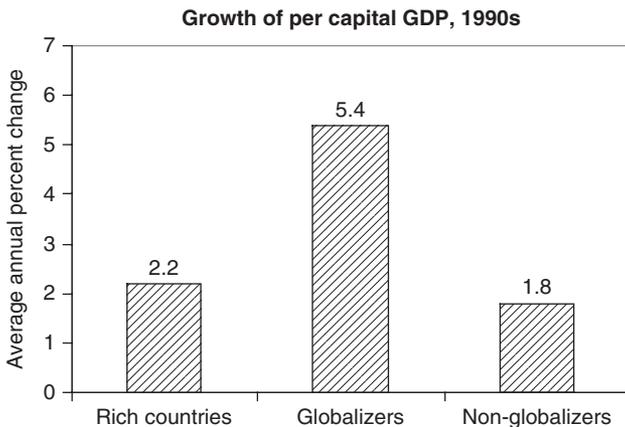


Figure 1.4 Empirical findings from a WB Study reported in *The Economist*  
 Source: Dollar and Kraay (2001b), Table 3.

As is noted by readers, sometimes in “Letters to the Editor,”<sup>33</sup> *The Economist* is not always balanced or careful in its invoking of empirical evidence; for example, the World Bank study mentioned just above has been rigorously criticized in the scholarly literature – a point that *The Economist* fails to raise.<sup>34</sup> But a more fundamental problem with the strategy of prioritizing quantitative evidence is that it implicitly collapses the “globalization problem” to a single dimension: that of raising material living standards. Of course, one would hardly want to argue that broadly distributed improvements in material living standards are not a desirable outcome of globalization, given how prevalent global poverty remains. Yet it is but one set of factors among many at stake in globalization debates. *The Economist*’s narrative assumes *a priori* that greater material comfort is pretty much all that people want from globalization, and that consequently it is economic experts who need to have the power to steer its course.

Here, refuting “economized” criticisms of globalization is clearly not a matter of science alone. Rather, because science is the basis in modernist projects from which one can claim authority to act, establishing that critics’ views and positions are but “ersatz” knowledge disqualifies them from purporting to speak on behalf of the world’s poor.<sup>35</sup> The poor figure prominently in *The Economist*’s representation of globalization: they are depicted in photos showing extreme material deprivation, and are referred to in compassionate terms like “the planet’s most desperate people.”<sup>36</sup> Here *The Economist* stresses a moral obligation for enlightened decision-makers to attend to the needs of such people:

Hundreds of millions of people in the world are forced to endure lives of abject poverty – poverty so acute that those fortunate enough to live in the United States, or Europe or the rich industrialised parts of Asia can scarcely comprehend its meaning. Surely there is no more commanding moral imperative for people in the West than to urge each other, and their governments, to bring relief to the world’s poorest.<sup>37</sup>

Given the critical nature of this imperative, it is essential that authority for making decisions about globalization remain with those who truly understand and can help realize its progressive potential. These are patently not its critics, whose ideas are

33 See, for example, the lively exchange in the 24 May 2001, issue.

34 See Rodrik and Rodríguez (2001), Atkinson and Brandoloni (2001), and Freeman (2004). More generally, academic economists complain that the magazine’s argument at time rides roughshod over analytical complexities and unresolved issues in economic research.

35 Garnett (1999) and Amariglio and Ruccio (1999, 2004) also discuss how economists’ practice of vehemently trashing the economic knowledge of non-economists reflects a move to invoke authority for purposes of exclusion.

36 *The Economist*(2000).

37 *The Economist* (2004).

misguided, if not “downright loony,”<sup>38</sup> and whose behaviour actually endangers the poor:

The anti-capitalist protesters ... are right that the most pressing moral, political and economic issue of our time is third-world poverty. And they are right that the tide of “globalisation” ... can be turned back. The fact that both these things are true is what makes the protesters ... so terribly dangerous.<sup>39</sup>

As with popular-press narratives about globalization, one can explore why this representation of globalization recurrently appears in *The Economist*.<sup>40</sup> Clearly the representation is integral to the magazine’s liberal philosophy, about which it has never made bones; indeed, the description of its editorial philosophy quotes this passage from the 1843 prospectus to highlight its continuity of purpose:

If we look abroad, we see within the range of our commercial intercourse whole islands and continents, on which the light of civilization has scarce yet dawned; and we seriously believe that FREE TRADE, free intercourse, will do more than any other visible agent to extend civilization and morality throughout the world – yes, to extinguish slavery itself.<sup>41</sup>

Still, as a commercial product, *The Economist’s* coverage must also articulate somehow with the needs, desires, pleasures and/or interests of its readers (Starr 2004a). A central factor here is that many of *The Economist’s* readers have lines of work that put them in the “transnational capitalist class” – business owners, executives, managers, professionals, financiers, international bureaucrats, and politicians with interests tied to capital accumulation in transnational realms (see, e.g., Sklair 2000, 2001; Robinson and Harris 2000). As its readership statistics show, almost 90% of readers had taken an international business trip in the past year, with 40–50% taking three or more trips; most readers point to the international orientation of the publication as a key reason for reading it (see Figure 1.5).<sup>42</sup> Yet most readers are involved in micro-processes of globalization – specific business deals, specific financial portfolios, specific transnational plants – and could not necessarily construct a broader vision of it from their daily experiences. As such, *The Economist’s* representation offers something of value to readers: trajectories along which to orient themselves in their everyday work, while also creating a sense of personal worth and location in the globalization narrative. As such, to the extent that *The Economist’s* representation of globalization is an ideological

38 *The Economist* (2001a).

39 *The Economist* (2000).

40 See Starr (2004a) for further discussion.

41 Quoted on the “About Us” page of *The Economist’s* website [accessed 8/2/04].

42 Indeed, repositioning the magazine as a global publication was a key factor in boosting its readership from 475,000 in 1991 to 900,000 in 2003.

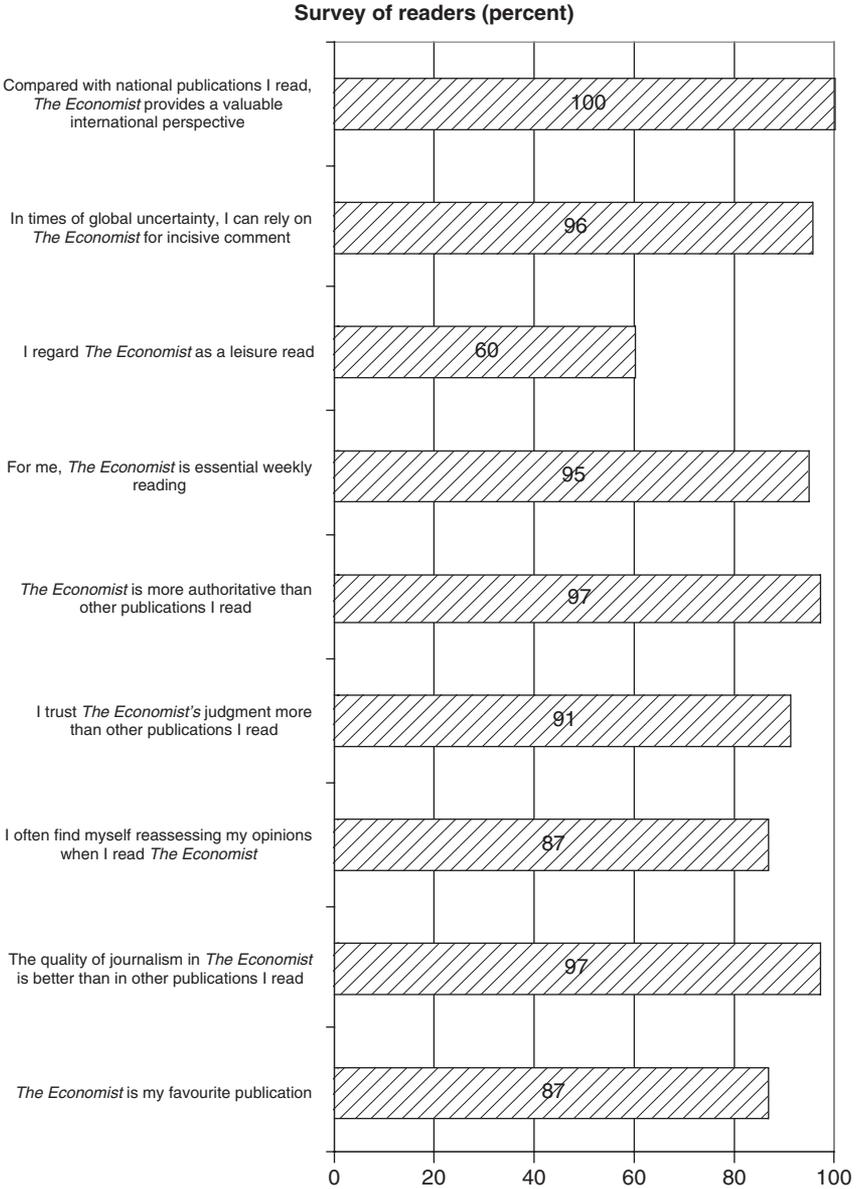


Figure 1.5 Survey of readers of *The Economist*

Source: [http://ads.economist.com/print/mediakit/worldwide\\_subs\\_2002.pdf](http://ads.economist.com/print/mediakit/worldwide_subs_2002.pdf)  
[accessed 4/1/2004]

project, it is an effort to constellate dispersed sources of power around a common vision of how it can unfold in a mutually beneficial way. While readers surely do not accept the representation unthinkingly, they do think about what is written in ways that may affect their views and actions: thus, for example, almost nine-tenths of readers say they find themselves re-assessing their opinions when they read *The Economist* (Figure 1.5).

### **Contrasting views of globalization: Knowledge, representations, and power**

There are several notable differences in the representations of globalization in popular media versus *The Economist*. First, the *knowledge practices* used to make claims about globalization differ appreciably. Popular press representations often use “narrative mode,” exploring ways in which globalization produces struggles in the everyday lives of people, which are given context through “hard” material like expert opinions and statistics. Here dimensions of globalization that might seem “particular” and/or “subjective” are worthy of interest, in so far as they are prisms through which to see and understand the plights of “ordinary” people like oneself. In contrast, *The Economist* develops its representation in “analytical mode,” making extensive use of formal discursive knowledge practices of academic economics to validate its portrayal of globalization. Here observations on globalization that seem “particular” or “subjective” are discounted, based on the modernist view that a phenomenon cannot be validly characterized unless methods are used to assure respect for their opposites, generality and objectivity.<sup>43</sup>

Second, the representations have quite different *implied readers*, with implications both for the sorts of knowledge practices that can be used, and for the resonance of different ideas about globalization. In the popular-press case, the implied reader has a solid identification with “middle-class” values and lifestyle, including steady income-earning, support of family, and a comfortable standard of living; thus, stories in which these values are shown to be at risk have inherent interest and meaning. But these risks are framed in a specific way: not as forces to be thrown off through (say) activism or structural change, but rather as a sort of dark side to the market economy that can pull under even those worthy people whose lives have epitomized middle-class values. Thus, although the vision of globalization in popular media is decidedly mixed, its central upshot is not an impetus to action, but rather a reevaluation of what the ordinary person does to stay on course in everyday economic life.

*The Economist*, in contrast, positions its reader as a highly educated and intelligent person who expects a scientifically-constructed, general view of globalization. This implied reader is not passively knocked around by forces of globalization, but rather has potential to affect how it unfolds; here there *is* a clear impetus to action, for readers to use their power to keep globalization on track.

43 See Dahlgren (1992) on the distinction between narrative and analytical modes.

Of course, actual readers do not respond deterministically to this or any other media message; in the language of Stuart Hall (1980), as much as producers “encode” intended meanings in media messages, readers “decode” them as they choose, accepting, rejecting, or modifying them in ways that seem sensible, meaningful or relevant to them. Here what is notable is that, whereas the popular press narrative validates a complacency by the “ordinary person” towards globalization, *The Economist*’s appeal to its readers does the opposite – positioning them as able to advance grand, universal ideals, like eradicating world poverty, by making moves that favour globalization in their business and professional lives.<sup>44</sup>

Third, the two sets of representations take quite different stances towards *other representations* of globalization. A regular construction in the popular press uses elements of other representations to craft a narrative structure in which “pro”, “con” and “mixed” views are given, without any moves to weigh their truth values. An example of this construction comes from a *USA Today* article on the 1999 meetings of the World Trade Organization (WTO) in Seattle; the set of quotes is shown in Table 1.1 is offered, without comment, in the order indicated.<sup>45</sup>

Each voice is allowed to speak for itself; they challenge each other, but there is no “independent” voice in the text that acts as arbiter. In the end, the representation constructed through this discursive structure neither advances nor refutes any specific alternative representation of globalization; rather, it lays out an argument in which the whole idea of a definitive representation implicitly is made to seem unlikely or perhaps even impossible.

In contrast, *The Economist* specifically introduces a voice that makes judgments about the truth values of alternative representations, grounded in scientific principles of logic and evidence that will seem natural to readers. The main use of this voice is to assault what the text sets up as “critical” alternative representations: those in which corporations and governments are greedy and act without the best interests of society in mind, to the detriment of disadvantaged groups and the environment. Yet morality is also mingled in with science: if alternative representations are allowed to hold sway, further advances in the human condition will be put at risk – a possibility that should be resisted out of humanist compassion and perhaps *noblesse oblige*. Thus, whereas popular-press discourse leaves open a plurality of possible representations of globalization, *The Economist* aims to prioritize one – effectively appropriating for liberal economists and like-minded others the authority for characterizing globalization and for steering its course.

## **Concluding thoughts: why economic representations matter**

It is important to highlight the consequences of these representations for the ways in which globalization unfolds. The potential for representations to have consequences is perhaps best illustrated through an example: the case of Kathie

44 See also Starr (2004a).

45 The article is McMahon and Cox (1999).

Table 1.1 Sequence of quotes from a *USA Today* articles on the WTO meetings in Seattle, 1999

<i>Slant</i>	<i>Person</i>	<i>Quote</i>
Pro	Mike Moore, WTO Director-General	“Some of the attacks [against the WTO] are part of a broader assault on internationalism – on foreigners, immigration, a more pluralistic and integrated world .... Anti-globalization becomes the latest chapter in the age-old call to separatism, tribalism and racism.”
Con	Medea Benjamin, director of Global Exchange	“That’s nonsense. The foes of the WTO are really the ones fighting racism and holding on to labor standards .... In the ranks of our movement are the Latino sweatshops workers, immigrant workers, African small farmers, small-business people around the world and on the other side are mostly rich white CEOs who are making a killing from the present rules of the global economy.”
Mixed/ thoughtful	Jerry Jasinowski, president of National Association of Manufacturers	“What’s disturbing to me about many of the opponents of expanded trade is their refusal to engage in a mature dialogue about the benefits and costs of expanding global economic activity.”
Mixed/ unexpected	Jason Miller of Working Families for Free Trade in Seattle	“Not all the voices in the street will be critics of free trade policies.” In fact, their group was holding a pro-trade rally “to show that the Seattle community strongly supports trade because local jobs rely on it.”

Lee Gifford and sweatshop labor. The controversy started in April 1996 when Charlie Kernaghan, director of the National Labor Committee, told a congressional committee about working conditions at a Honduran factory that manufactured Gifford’s line of sportswear (sold through Wal-Mart): the factory employed young women and girls, wages were 31 to 39 cents an hour, and the working week was 72 hours long.<sup>46</sup> While stories about sweatshop labor had not been uncommon at that time,<sup>47</sup> this one rocketed into an entirely different league: not only was it covered extensively in the daily newspapers and weekly news magazines, it also appeared in the tabloids, the evening news, the television talk shows, and *Entertainment Tonight*.<sup>48</sup> As one commentator put it, the sweatshop

46 For the facts, see Greenhouse (1996), for example.

47 For example, in the previous summer the Labor Department had raided a sweatshop in El Monte, California, vowing to crack down on illegal workplace practices.

48 See Bullert (2000) for interesting discussion.

issue would never have made it “into *People* magazine until they went after Kathie Lee.”<sup>49</sup>

As argued in the present paper, a key reason for interest in this story is not just its details, but its resonance to people: it illustrates beautifully the idea that free-market globalization benefits the rich and powerful, while screwing the “little guy.” Kathie Lee is a wealthy, famous member of the entertainment elite; her wealth turns out to have come in part from the poverty and exploitation of others; and her self-proclaimed ignorance of working conditions at the Honduran plant was reminiscent of Marie Antoinette. This provided ample opportunity to mock the privilege of the rich and their oblivion to the everyday lives of others; for example, from an op-ed piece from the *Boston Globe*:

It’s all too awful. I couldn’t be more shocked if you told me the only reason [Kathie Lee] has refused to host the Miss America Pageant again is because they won’t let her sing. And if it is true – and it’s insupportable, truly – how was Kathie Lee supposed to know those underpaid children were slaving to make her clothes? The Carnival Cruise ships don’t stop in Honduras. And even if it were, do you think sweatshops would be part of their shore tour itinerary?<sup>50</sup>

Yet the story also gave ample opportunity to incorporate voices of people disadvantaged by ruthless pursuit of profit; for example, the CBS TV show *Sunday Morning* featured a domestic garment-industry worker who described her job as follows:

Ms. PENALOZA: The conditions are very bad. My factory is very hot in summer and very cold in winter. My boss is screaming to me all the time. He’s always very angry. I can’t ask him any questions because I am afraid he’s going to kill me.... I have to continue working, because I have to support my children.

SMITH: (Voiceover) In the meantime, the daily reality for Nancy Penaloza and thousands of workers like her is long hours, low pay and a sense of being caught in a trap that denies them any chance at the American dream.<sup>51</sup>

While the Kathie-Lee story epitomized a familiar and objectionable representation of globalization, here the breadth and depth of interest in it had significant consequences. In the months that followed, government officials, industry leaders and activists scrambled to initiate projects to curb exploitative labor conditions at home and abroad. Efforts were varied, including a Presidential task force led by Labor Secretary Robert Reich; pledges by Nike, Reebok, L.L. Bean, and other

49 Robert Hall of the National Retail Federation, quoted in Jones (1996).

50 White (1997).

51 Broadcast on 9/1/1996.

retail giants to provide abuse-free factories that would be independently monitored; state and municipal ordinances mandating sweat-free procurement; formation of a student movement against sweatshops; and several other initiatives.<sup>52</sup> One would hardly want to argue that these projects cleared up the problem of sweatshop labor, given that business/union/NGO partnerships later unraveled and that newly introduced labor standards ended up being mostly voluntary. But the important point is that they both reflected and responded to new pressures on companies to factor social responsibility into their business operations that haven't gone away. As such, the representation of globalization recurrent in the mass-media and captured so dramatically in the case of Kathie Lee was involved in shifting the balance of power between groups seeking to influence the globalization process – away from those advocating its unregulated corporate form, towards those demanding that issues of fairness, equality, voice, and compassion be explicitly factored in. This illustrates how economic representations of globalization can matter – by playing into struggles over power in the dense network of forces involved in shaping how globalization unfolds.

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52 See Freeman and Elliott (2003, Appendix B) for useful chronology and details.

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## 2 Outsourcing economics

*William Milberg*

### **“Ricardo is right, Ricardo is right ...”**

In his bestseller account of globalization, *The World is Flat*, Thomas Friedman (2005) describes standing in Bangalore one morning in front of the gates of the Infosys corporation – a major Indian provider of software and office services to US corporations – as young employees stream in to work. Friedman describes his thoughts at the scene:

They all looked as if they had scored 1,600 on their SATs, and I felt a real mind-eye split overtaking me. My mind just kept telling me, “Ricardo is right, Ricardo is right ... But my eye kept looking at all these Indian zippies and telling me something else: “Oh my God, there are so many of them, and they all look so serious, so eager for work .... How in the world can it possibly be good for my daughters and millions of other young Americans that these Indians can do the same jobs as they can for a fraction of the wages? .... I struggled over what to make of this scene. I don’t want to see any American lose his or her job to foreign competition .... No book about the flat world would be honest if it did not acknowledge such concerns, or acknowledge that there is some debate among economists about whether Ricardo *is* still right. Having listened to the arguments on both sides, though, I come down where the great majority of economists come down – that Ricardo is still right ... (225–27)

Friedman’s faith in mainstream economic theory should be refreshing to many academic economists. Free trade is traditionally the key point of contention between academic and popular views on the economy, and is usually the first issue cited in discussions of the great divide between economists and others. If economics is, as some critics argue, apologism for liberal capitalism, then free trade is its poster boy. If the anti-globalization movement had to pick one event to protest, it would surely be the annual meeting of the World Trade Organization (WTO).

In this chapter, I review two sets of writing on the effects of US offshoring: one a debate among academic economists, the other a set of books by popular North American writers.<sup>1</sup> I find that the divergence of views found in popular writing – expected perhaps because of its lack of adherence to a single methodology – is paralleled in the debate within the mainstream of the economics profession. Moreover, there is a clear awareness of academic writing among the popular writers (note that the quote above is from Thomas, not Milton, Friedman!), and an equally strong awareness of popular writing among the academics. In fact, the academic writings on the issue of offshoring are very often motivated by a stated goal of quelling popular “fear” or dispelling “myth.”<sup>2</sup> When even prominent academics embrace popular norms that deviate from mainstream academic views on offshoring, the economists have been soundly reprimanded by their fellow academics for betraying the profession.

Economics in the past ten years has become less driven by abstract theory and increasingly about sophisticated empirical testing. I find, however, that the criteria used by experts for resolving debates using empirical evidence (that is debates that are not resolved on theoretical grounds alone) are vague. At the extreme, and in the case of the offshoring research, a single empirical finding can lead to a wide variety of interpretations. I call this absence of conventions and the multiple interpretations it induces the “Kletzer effect,” named after the economist whose work is the subject of such varied interpretation.

Given this unusually atheoretical state of economics today, and the lack of accepted conventions for resolving different interpretations of data, it is no wonder, then, that on the issue of offshore outsourcing, the public discourse is shaped as much by popular writers as by the academic experts. Economics, it would appear, has been outsourced to the non-economists.

Ruccio and Amariglio (2003, 276) argue that academic condescension towards popular writings in economics reflects an underlying insecurity about the alternative views of economic life expressed in popular culture, that is, “the differences in content between academic and everyday economics.” The field of international economics in the 1990s was a supreme example of this. Economists sought to ridicule popular calls for trade protection and industrial policy at the same time that the traditional free trade theories were being overturned by a New International Economics that found conditions under which state intervention in international trade and technology development could raise national (and in some cases global) welfare. Based on an analysis of the US offshoring debate, I would carry Ruccio and Amariglio’s argument one step further: in the last ten years, in an era when economic theory has had little internal theoretical impetus, it is the

1 In general I will use the term “offshoring” rather than the more popular phrase “outsourcing.” I define offshoring as the use of foreign-made inputs in the production of a good or service by a US company. This input may be produced by a separate company or the affiliate of US transnational corporations. Outsourcing I define as purchasing an input from a source outside the company itself – whether that source is domestic or foreign.

2 Examples are Amiti and Wei (2005), Harrison and McMillan (2005), and Blinder (2006).

popular writings on economic issues that increasingly determine the very questions that academics address in their research. There is thus today a deeper connection between academic and popular discourse of economics than had traditionally been the case.

### **The offshoring of services by US corporations**

International outsourcing has for years been part of US business strategy in manufacturing, aimed at lowering costs and raising flexibility. Autos, apparel, computers, and toys are “produced” by American companies, with most components in fact produced abroad. The oft-cited description of the production of that American icon, the Barbie Doll, sold by the Mattel corporation, captures the phenomenon:

The raw materials for the doll (plastic and hair) are obtained from Taiwan and Japan. Assembly used to be done in those countries, as well as the Philippines, but it has now migrated to lower-cost locations in Indonesia, Malaysia, and China. The molds themselves come from the United States, as do additional paints used in decorating the dolls. Other than labor, China supplies only the cotton cloth used for dresses. Of the \$2 export value for the dolls when they leave Hong Kong for the United States, about 35 cents covers Chinese labor, 65 cents covers the cost of materials, and the remainder covers transportation and overhead, including profits earned in Hong Kong. The dolls sell for about \$10 in the United States, of which Mattel earns at least \$1, and the rest covers transportation, marketing, wholesaling and retailing in the US. The majority of value-added is therefore from US activity. The dolls sell worldwide at the rate of two dolls every second, and this product alone accounted for \$1.4 billion in sales for Mattel in 1995. (Feenstra 1998, 7)

The degree of offshoring varies across US manufacturing sectors. In US manufacturing, the share of inputs that are imported has risen to over 30 percent in many industries.<sup>3</sup> Those industries relying most heavily on imported inputs were apparel (38 percent), textiles (29 percent), motor vehicles, metal and electronics (all around 22 percent). In the services sector, imported input use is generally lower, led by publishing and software (13 percent), management services (10 percent) and computer system design (7.5 percent), but are rising at a faster rate than in manufactures (Sturgeon 2006).

The offshoring of services is a more recent phenomenon, driven in part by the explosion in information and computer technology, and in part by the entry of large new pools of labor – skilled and unskilled – into the world’s workforce, especially from India, China and Eastern Europe. The media began reporting on

3 See Milberg *et al.* (2007) for a more detailed discussion of US imported input use by sector and a review of the empirical literature on trade in inputs.

the phenomenon in 2001. Public concern exploded when the Forrester consulting firm issued a prediction that 3.3 million US jobs would be lost to services offshoring over a 15-year period. Since the release of the Forrester study in 2003, the number of newspaper articles on services outsourcing has skyrocketed, and was particularly high during the US presidential campaign of 2004. Amiti and Wei (2005, 309) report 2,634 articles on services offshoring in US newspapers in the first five months of 2004, about five times the amount of coverage found in a similar period in 2001.

From the popular perspective, the offshoring of services has added a new source of public concern about living standards because, for the first time in US history, it is white-collar jobs that are threatened by foreign competition. The jobs that are being moved overseas are not just the low-skill jobs based in failing manufacturing industries. These are service jobs, ranging from low-skill call-center jobs to high-skill work in software development, semiconductor manufacturing, financial market analysis and radiology exam reporting. Since white-collar work was seen as the main area of future job growth (see, for example, Reich 1991), the upsurge in services offshoring adds an additional dimension to the debate, which is the question of which sectors in the US are most likely to provide employment in the future.

The level of services imports is still not very high compared to imports of manufacturers or in relation to services exports, but services imports are growing rapidly. The US continues to run a trade surplus in most areas of services, an indication of continued international competitive strength. However, there is clearly a strong upward trend in US imports of many business services and a growing share of these imports take place within transnational corporations (so-called affiliate or intra-firm trade). Alan Blinder (discussed later in the chapter) conjectures that the offshoring of services is potentially so widespread in the future – up to 40 million current US jobs could be offshored – that it will drive a new industrial revolution and require a major rethinking of the types of jobs Americans will have and thus the skills they will need.

## **The academic debate**

The stories of services outsourcing have caught the public's imagination and fear.<sup>4</sup> Much academic writing in this area, as I noted above, has sought to quell these fears. But not all these efforts have been successful. Most famous in this regard was the case of George W. Bush's chief economic advisor, the Harvard professor Gregory Mankiw. At a press conference, Mankiw was asked about the economic

4 In the United States we have all had the experience of calling our cable TV or credit card company and speaking with someone in India, the Philippines, or Poland. My own outsourcing surprise had some added irony because it came as I was editing a book. Having contracted with a well-placed British publisher, I was surprised to get my galley proofs in the mail one day from an editing company in Chennai, India. The topic of the book? Outsourcing, of course! See Milberg (2004).

effects of corporate outsourcing of services. His famous response is excerpted here:

I think outsourcing is a growing phenomenon for white-collar workers, but it's something that we should realize is probably a plus for the economy in the long run. We're very used to goods being produced abroad and being shipped here on ships or planes. What we are not used to is services being produced abroad and being sent here over the internet or telephone wires. But does it matter from an economic standpoint whether values of items produced abroad come on planes and ships or over fiber-optic cables? Well, no, the economics is basically the same.<sup>5</sup>

Mankiw's view outraged the public – leading to considerable effort at pre-election damage control by the White House – but was widely supported by economists. Once again, the economics profession found itself stunned by the public's concern over the effects of growing international trade.<sup>6</sup>

The policy of free trade is supported by more economists than any other single policy in economics. In one survey, Frey *et al.* (1984) found that 95 percent of American-based economists and 88 percent of economists across the U.S and Europe support or support with qualification the view that “tariffs and import quotas reduce general economic welfare.” In the mainstream economists' view, the “fragmentation of production” and the resulting offshoring of intermediate goods and services production constitutes a furthering of the division of labor that enhances the gains from trade beyond those achieved when trade is limited to final goods and services. In the words of two academic economists, Sven Arndt and Henryk Kierzkowski (2001, 2, 6)

spatial dispersion of production allows the factor intensity of each component, rather than the average factor intensity of the end product, to determine the location of its production. The international division of labor now matches factor intensities of components with factor abundance of locations ... [E]xtending specialization to the level of components is generally welfare-enhancing.

### **> Samuelson versus the “mainstream economists supporting globalization”**

But there is dissension in the academic ranks. No less than Paul Samuelson, MIT professor emeritus, Nobel Prize economist and founder of the modern neoclassical theory of free trade, came out publicly and forcefully with doubts about the benefits of services outsourcing for US workers. An academic battle ensued, in the pages

5 Cited in Andrews (2004).

6 For a blow-by-blow account of how Mankiw saw the events, in which he thought his words were taken out of context and subject to inaccurate press reports, see Mankiw and Swagel (2006).

of *The Journal of Economic Perspectives*, a major publication of the American Economic Association. Samuelson (2004) argued that the traditional case for the mutual beneficence of free trade was of more limited relevance in a world of services outsourcing than most economists typically acknowledge. Samuelson made two basic points. First, while it is a standard result in trade theory that trade liberalization will bring winners and losers, it has become a commonplace among academics to assert that the *potential* for winners to compensate losers is adequate proof of the gains from trade liberalization, even if no compensation takes place in practice. Samuelson (2004, 144) writes:

Should noneconomists accept this as cogent rebuttal if there is not evidence that compensating fiscal transfers have been made or will be made? Marie Antoinette said, “Let them eat cake.” But history records no transfer of sugar and flour to her peasant subjects. Even the sage Dr. Greenspan sometimes sounds Antoinette-ish. The economists’ literature of the 1930s – Hicks, Lerner, Kaldor, Scitovsky and others, to say nothing of earlier writings by J.S. Mill, Edgeworth, Pareto and Viner – perpetrates something of a shell game in ethical debates about the conflict between efficiency and greater inequality.

Samuelson’s second point was that productivity gains by one country which offset the existing pattern of comparative advantage could reduce or eliminate gains from trade and actually hurt the other country, by reducing its terms of trade, that is the average price it gets for its exports relative to the price it must pay for its imports. Samuelson takes this case to apply directly to that of outsourcing today, in which a component of the production process previously performed in the US, say software development, is subsequently outsourced to China or India.

### **> Bhagwati and “the muddles over outsourcing”**

Jagdish Bhagwati, University professor at Columbia University, is a longtime champion of the cause of free trade. He is today one of the most outspoken advocates of the positive effects of services offshoring, having written op-ed essays and a number of popular books expressing his views. In a prominent article in the *Journal of Economic Perspectives*, Bhagwati *et al.* (2004) proposed to clear up “The Muddles Over Outsourcing.” The authors lamented the clouded thinking over outsourcing and insist that even Samuelson is misguided. Bhagwati *et al.* (2004) did not reject Samuelson’s logic, but claim instead that Samuelson’s proposed economic model is irrelevant to the contemporary issue of outsourcing which is about the creation of newly traded services such as call centers and medical imaging analysis rather than (Samuelson’s focus) international competition in an already traded sector. When a previously non-traded good or service becomes a tradable, Bhagwati *et al.* (2004) argue, the productivity gains in the foreign country (which Samuelson identified as hurting the home country) lead to gains in the home country because the home country did not previously trade the good or service that underwent the productivity gain.

Bhagwati *et al.* (2004) presented three mathematical models of offshoring, each of which showed that it generally benefits the home country (their focus is explicitly on the United States). In the first model the benefits of offshoring are distributed in the form of higher profits and lower wages, but since the benefits exceed the losses, the workers could in principle be compensated so as not to be worse off than prior to the outsourcing, still leaving the owners better off than before. In the second model, which assumes two types of workers (high-skill and low-skill), overall benefits from offshoring go unequally to high-skill workers while low-skill workers lose. In the third model, all income groups gain, “at least after workers make a transition to other industries.” (105)

For all their effort to show the benefits of services offshoring for the US economy, Bhagwati *et al.* largely conclude that it as an empirical issue. For one thing, their mathematical models all allow for the possibility that outsourcing creates winners and losers in the home country. Overall benefits from outsourcing require the compensation of the latter by the former – precisely the result that Samuelson questioned. Gains may also depend on the ability of displaced workers to find other jobs with the same pay. Bhagwati *et al.* cite some other empirical studies that generally support their view, but their selective literature review certainly does not resolve the outsourcing “muddles.” Below I show how studies of re-employment after a trade-related job loss have been interpreted very differently by different analysts.

### > **Blinder’s “big deal”**

The consequences of this theoretical debate among elite academic economists has been dramatized by a number of academic studies projecting potentially a very significant expansion of services offshoring. Most prominent among these and offering the most dramatic of all the predictions, has been Alan Blinder, Princeton economist and formerly Vice Chairman of the Federal Reserve and Chairman of the Council of Economic Advisers. Blinder (2007) has done a detailed analysis of the US labor force, looking especially at services jobs and the extent to which they are “personally delivered” or “impersonally delivered.” Personally delivered services, such as child care and garbage collection, cannot be delivered electronically. Impersonally delivered services are those that can be delivered electronically without a significant loss of quality. These would include travel reservations and computer support (Blinder 2007, 4). Blinder estimates that 30 to 40 million jobs are likely in the future to involve impersonally delivered services and thus be potentially subject to offshoring. This estimate is equivalent to 22–29 percent of the current American workforce (Blinder 2007, 18).

Blinder’s breath-taking estimate flies in the face of the claim by Bhagwati *et al.* that services offshoring will be easily absorbed by the US economy. Blinder’s view is not just that the labor market displacement is large, but that because it cuts across all skill levels of the US labor force, it requires a more creative policy response than the usual plea by academic economists for more educational attainment and more training. Without such policies, Blinder asserts, the job displacement and

income losses in the US could be devastating, even if eventually new jobs are created in the US to replace those lost. He writes that:

the job losses [from offshoring] experienced to date are probably just the tip of a much larger iceberg whose contours will only be revealed in time .... [T]he likely net job loss is zero. But the gross job losses will be huge, leading to a great deal of churning, much displacement (and re-employment) of labor and many difficult adjustments – occupational, geographical, and in other respects (Blinder 2007, 10, 19).

Blinder sees the potential wave of offshoring as driving a new industrial revolution.

The dissent by Samuelson and Blinder over the importance of offshoring and its beneficence for US economic welfare was met with outrage from colleagues who perceived them as traitors against economic faith. Responding to the many criticisms he received following the publication of this article, Samuelson (2005, 243) added that “none of my chastening pals expressed concern about globalization’s effects on greater inequality in a modern age when transfers from winners to losers do trend politically downward in present-day democracies.” Blinder also complained about the criticisms he received from fellow economists. Mankiw criticized two very prominent economists *for not defending him publicly* after he was attacked for minimizing the effects of job losses occurring from offshoring. Mankiw writes that: “Notable in his initial silence was Paul Krugman .... Notable as well for his silence was then-Harvard President Larry Summers ... Summers declined when journalists asked him for an on-the-record comment on the outsourcing controversy, even though as Harvard President he had shown considerably less reluctance to engage in the public debate on other issues ...” (Mankiw and Swagel 2006, 12–13).

## The everyday economics of services outsourcing

Given the academic attention to popular fears of outsourcing, one might think there is a monolithic public opposition. This is not so, however, as a review of two recent popular books on outsourcing quickly reveals. In its own way, the popular discourse on outsourcing is a mirror image of the debate going on within the economics profession. Let’s begin, as I did with the academic discourse, with the skeptic before turning to the popular free trader.

### > Exporting America

Lou Dobbs is the popular business news broadcaster on CNN, whose program *Lou Dobbs Tonight* is watched by millions of Americans every weekday night. In 2004 and 2005 he closed each show with a listing of corporations that have begun outsourcing operations in foreign countries, presumably an effort to shame those who have abandoned American workers. Dobbs is a nationalist, whose

populism leads him also to resist the conflation of the national interest with the profits and stock price of American corporations (and to strongly oppose illegal immigration into the US). His definition of national economic interest would include employment and wages – “the stakeholders not just the stock holders” – as Dobbs puts it. Dobbs’s 2004 book, *Exporting America: Why Corporate Greed is Shipping American Jobs Overseas*, presents a case for why offshoring (a) is hurting American workers and thus against the American interest; and (b) is driven by US corporate interests that now have significant control of the political process.

Dobbs describes himself as a “lifelong Republican” and a “capitalist” (5). But he is quite skeptical of US trade policy and its rhetoric: “Incredibly, the proponents of outsourcing and free trade will tell you that it’s all a win-win proposition. It’s been my experience that you should reach for your wallet when anyone says ‘win-win.’” (64) For Dobbs, trade policy is being driven by corporate interests, since they have captured the politicians, the consulting firms and even the academics. Regarding trade agreements, Dobbs writes that: “Multinationals and their lobbyists have pushed through trade agreements that have contributed not only to the exporting of American jobs but also to the tremendous deficits we’ve run up for almost three decades,” (54). Dismissing the lack of state-level laws banning the international outsourcing of state government services, Dobbs claims that “lobbying pressure has kept other states from passing such laws. [Lobbyists] are not interested in what voters want, only in what their corporate members want” (128).

Dobbs doesn’t doubt the logic of the principle of comparative advantage, just its relevance and interpretation. Free trade as envisioned by Adam Smith and David Ricardo is supposed to bring “balanced benefits to both” trading partners (65). Since trade liberalization has coincided with a steady deterioration of the US balance of trade, Dobbs argues, the current situation is not one of free trade, but of unfair and detrimental trade. He also questions the typical dynamic argument of many free traders, that US trade liberalization will bring adjustment costs but ultimately will result in a shift in US specialization from lower-technology to higher-technology goods involving better jobs. The reality, Dobbs argues, is a growing trade deficit in high-tech manufacturing and the increasing outsourcing of higher-skill service jobs including paralegal services, financial analysis, software programmers and radiology analysts. As for the new jobs being attained by those who lose jobs to outsourcing, they are “finding new jobs that pay only about 80 percent of their original wages” (104).

Dobbs, unlike Friedman reviewed below, does not defer to the rhetoric of expertise of the academic economist or the management consultant. Regarding Mankiw’s statement that services outsourcing could “probably be a plus for the economy in the long run,” Dobbs retorts:

Probably? It could also be a probable negative. It certainly is if you’re one of the hundreds of thousands who’ve lost jobs to outsourcing. When [Mankiw] added a further qualifier to his support by saying “in the long run,” Mankiw kept his credentials as an economist in good standing. How long is the

long run? How many jobs do we have to lose to outsourcing to determine whether it really is a “plus,” or a definite negative. (102, 103)

Regarding consultants – the same ones so often cited by the academics – Dobbs has even less respect: “To achieve lower labor costs, the US multinationals are using their corporate consultants, such as Accenture and McKinsey. And the consultants are being paid handsomely to do so” (113).

Dobbs attacks those who see outsourcing as inevitable and essential to the maintenance of competitiveness of US companies. He calls this “the fatalism defense of outsourcing.” He proposes instead a national strategy to stop outsourcing, beginning with state government legislation to oppose foreign outsourcing of state-provided services.

In sum, Dobbs’s rejection of free trade theory is based on his observation of its negative impact on some workers and their wages and the ethical weight he assigns on these losses. His skepticism of the free trade economists is thus understandable in light of Cullenberg’s (2005, 6) hypothesis that in academic studies “a much greater weight is put on the gains of the corporate sector than on the losses to labor (especially low-skill labor).” Dobbs is pro-labor union, but more generally pro-worker, in the sense that he is concerned with job security and wages. His ethical scale weighs very heavily the job and wage losses that offshoring brings. He seeks to ally himself with the “average” American and his opponents are the “greedy” American corporations, the “corrupt” US political system dominated by corporate lobbyists, and the “unfair” foreign competitors that promote low wages and environmental standards and tax loopholes.

## > The World is Flat

While Dobbs attacks Gregory Mankiw for his comments on the benefits of services outsourcing, Thomas Friedman, in his 2005 book, *The World is Flat: A Brief History of the Twenty-First Century*, mocks those who criticize Mankiw:

Mankiw’s statement triggered a competition for who could say the most ridiculous thing in response. The winner was Speaker of the House Dennis Hastert, who said that Mankiw’s “theory fails a basic test of real economics.” And what test was that, Dennis? Poor Mankiw was barely heard from again. (199)

Friedman, op-ed columnist for *The New York Times* and bestselling author, would be categorized by Dobbs as an outsourcing “fatalist” who not only doesn’t question the ethics of American corporations, but celebrates their innovative competitive strategies, including outsourcing. Dobbs’s nationalism is as explicit as Friedman’s internationalism. Dobbs refers to those who support outsourcing because it aids economic development elsewhere as “elitist one-worlders.” Friedman, on the other hand, values and applauds Indian and Chinese efforts to industrialize and is content to warn Americans about the growing threat to their jobs and well-being.

For Friedman, the term “flat world” describes an economy where geographic distance and national borders are much less important than previously for firm-level decisions related to production and sales, and where competition occurs in a global marketplace. “Flatness” is the result, according to Friedman, of a “triple convergence” (Friedman is constantly trying to coin a phrase) whereby the communications and information technology revolutions were massively adopted by businesses and at the same time the geographic scope of competitive capitalism expanded to include a few more billion people in China, India and the former Soviet Empire. The convergence has “made us all next-door neighbors.” Interestingly, Friedman sees the triple convergence as the result of the dot.com bust at the end of the century. As firms collapsed and technology-sector profits fell, firms were under particular pressure to find new ways to cut costs. Using the new technology, moving production to low-wage, formerly communist or socialist countries, accomplished that.

Friedman’s representation lacks Dobbs’s skepticism about the possibility of attaining the ideal of free trade. And Friedman’s account has none of Dobbs’s cynicism toward private corporations. Friedman has faith in the ideals of the free trade model, perhaps even more than the free trade economists he cites. The academic economists to whom he refers, Robert Lawrence, Paul David, and Paul Romer, are great proponents of the dynamic potential of market capitalism. For this group, there may be losses from liberalization and globalization in the short run, but these will generate productivity gains and innovations over the long term that will make us all better off.

Friedman and Dobbs clearly have very different views of the benefits from services outsourcing. Both, however, describe the economy with the use of anecdotes, including from their own lives. *Exporting America* includes an appendix of letters from Dobbs’s television viewers who are suffering the effects of outsourcing. The most common voices heard in Friedman’s narrative are those of the executives of US multinational corporations.

Friedman is dazzled by UPS services in coordinating entire supply chains for other corporations, and by Wal-Mart’s installation of radio frequency identification chips (RFIDs) on every box in order to better track deliveries and inventories. When discussing business, the tone is one of amazement – at the speed of change, at the courage to move abroad, and at the ability to introduce new technologies. Google, Amazon.com, Yahoo!, Starbucks, E\*Trade, and TiVo are lauded for creating a new type of product, “collaborative systems that enable customers to pull on their own, and then responding with lightning quickness to what they pull” (Friedman 2005, 156). Dell is a marvel for subcontracting in over ten countries to build a single laptop computer. Even when Friedman is discussing social activism and parenting, he interviews corporate executives. His discussion of parenting relies heavily on the experience of his two friends, described as: “having started several network companies in Silicon Valley” and as “chief technology officer for Cisco.” So even in this area, it is the view of corporate America that predominates. Friedman mentions the Indian and Pakistani working-class children, but rarely mentions

the equivalent American working-class child, except to warn their parents of the coming foreign competition for their jobs.

## The limits of comparative advantage

When it comes to international trade, the usual alignment of views is academics in favor of free trade and nonacademics against. I have found in the case of the international outsourcing of services that there is conflict within both the academic and popular groups, and a surprising similarity in the argument and the ethics in each debate. Friedman and Dobbs see the outsourcing phenomenon completely differently, with Dobbs placing most emphasis on the employment and wage losses and Friedman marveling at the innovation and corporate strategies that drive innovation. Samuelson and Bhagwati *et al.* (2004) both articulate deductively sound economic models, but they come up with opposite views of the likely welfare effects of outsourcing on the United States. Samuelson emphasizes the need for losers to be compensated in order for the classic free trade policy to in fact be beneficial by traditional economic standards (i.e., Pareto optimality). Blinder is also insistent on this, writing

The basic gains-from-trade “theorem” is that the gains to winners exceed the losses to the losers, leaving the nation as a whole ahead. That’s nice to know, and it is the main reason why almost all economists support free trade. But trade liberalization is not, repeat *not*, a Pareto improvement unless the losers are actually, not theoretically, compensated – which they never are.” (Blinder 2007, 24, emphasis in the original)

Both the academic and the popular writings reviewed here show a keen awareness of the view of the other. Despite coming down on different sides of the services offshoring debate, Samuelson and Bhagwati both show a surprising sensitivity to popular opinion. Samuelson, acknowledging the radical departure from orthodoxy his views reflected, gave interviews to newspaper reporters before his essay appeared in the academic journal. Bhagwati has written numerous op-ed articles and a book to bring his views on offshoring to the public. As I noted above, much of the academic research on offshoring has had the explicit aim of quelling the public fears over services outsourcing. While the academics do not often cite the popular writing, they do refer to the business consulting literature, most prominently the work of the McKinsey company, which has repeatedly tried to show the positive effect of outsourcing on firm profits and value added for the economy.<sup>7</sup> There is ample referencing of these private consulting firm studies by the academics, indicating some blurring of the line between academic and popular representations. This cross-referencing also indicates the community of ideas

<sup>7</sup> See, for example, Agarwal and Farrell (2003), Agarwal, Farrell and Remes (2003) and Farrell *et al.* (2005).

in which the academics feel comfortable, in particular those from the perspective of management consulting.

If the academic and everyday discussions are both mired in debate, then surely it is the scientific discourse of the experts that can provide a rigorous resolution. But mainstream economic theory in the past 25 years has become less and less capable of resolving such a debate, and the field of international trade has become particularly prone to deviations from the traditional free-market-is-optimal result. In the theory of the “New International Economics” which emerged in the 1980s, trade policy intervention can, in certain instances, raise national welfare. For every mathematical model showing the optimality of free trade, there was another model showing how “strategic” intervention by the government could raise productivity, output, profits and welfare.

My treatment of academic discourse has focused on the conflict of views among very prominent mainstream economists. It is important to acknowledge that there is also a long academic tradition questioning the very foundations of the mainstream trade model. Discussing the view that free trade results in balanced trade, Robinson (1973) wrote that: “trade theorists assume precisely that which they set out to prove.” Shaikh (1980) argued that the comparative advantage model is rooted in a faulty understanding of the financial system. Brewer (1985) showed that if we relax Ricardo’s assumption of the international immobility of capital and retain his assumption of fixed real wages, then absolute, not comparative, advantage determines the direction of trade.<sup>8</sup> And Thurow (2004) describes the labor market assumptions of the comparative advantage model as “counterfactual,” arguing that if we consider how the US labor market has in fact performed lately, it is likely that income losses from trade exceed gains. Thurow (2004, 271) continues: “Why these caveats [the lack of realism of the assumptions of the theory] are never mentioned when economists jump into public debates about free trade is an interesting sociological and political question.”

Skepticism about the relevance of the principle of comparative advantage has even begun to creep into a number of mainstream accounts of international trade. In his prestigious Ohlin Lectures, Ronald Jones of the University of Rochester writes: “once international mobility in an input is allowed, absolute advantage becomes a concept that takes its rightful place alongside comparative advantage in explaining the direction of international commerce” (Jones 2000, 7). The basic insight here goes back to the original statement of the principle of comparative advantage in chapter 7 of David Ricardo’s 1817 *Principles of Political Economy and Taxation*. If capital is mobile internationally, then production will shift to where costs are lowest in an absolute sense. Jones’s modern restatement of this issue is particularly relevant given the high degree of international capital mobility in the economy today. Baumol and Gomory (2000) emphasize how increasing returns to scale technology (that is, the tendency for unit costs to fall as the scale

8 This is precisely the point that Senators Schumer and Graham made in their op-ed article describing the justification for one of their initiatives aimed at reducing the US bilateral trade deficit with China.

of output rises) can lead to an outcome where a small group of countries capture most of the gains from trade, putting into question the classical result that free trade brings benefits to *both* trading partners.

## The new empiricism and the Kletzer effect

Without a theoretical foundation to unambiguously support the politics of free trade, arguments have increasingly turned to statistical analysis of data.<sup>9</sup> This increasing use of empirical testing (as opposed to the logical deduction of rational choice economic theory) has meant that academic research has relied less on mathematics and rational choice and more on sophisticated data analysis. But empirical evidence rarely resolves a debate among academic economists. This is partly because of the inherent nature of empirical analysis, limited as it is in terms of sample and reliant on particular variable definitions. The problem is exacerbated in the era of econometrics in which results are contingent also on model specification and estimation technique. Mirowski and Sklivas (1991) calculated the variation across estimates (“birge ratios”) for some of the supposed “constants” in economics and found very large ranges, especially in comparison with the ranges typically found in the natural sciences.

The outsourcing debate, however, raises empirical argumentation to a new height: different sides in the debate give very different interpretations of the same empirical study. That is, those who support services outsourcing and think its effect on US labor markets is not important cite Kletzer’s (2001) study to support their view and those who find the labor market effects of services outsourcing to be unacceptably high cite *the very same study*. I call this phenomenon “the Kletzer effect.”

Kletzer is an economist at the University of California at Santa Cruz and the study, *Job Loss from Imports: Measuring the Costs*, was published through the Institute for International Economics. Of the four texts analyzed above, only Bhagwati refers to the Kletzer study in any detail. Bhagwati *et al.* (2004) introduce the Kletzer study by calling it “one of the most influential studies of the costs of trade displacement.” They then provide the following summary and interpretation:

Kletzer (2001), divides manufacturing industries into low, medium and high import competing, based on the change in import share during 1979–1994 ... Across all three groups of industries, about two-thirds of those displaced are

9 Despite both orthodox and heterodox claims of the limitations of the principle of comparative advantage, the economics profession has largely viewed the outsourcing issue as a continuation of the ongoing struggle against the special-interest-driven trade protectionism that economists have fought for decades if not centuries. According to one economist, “free traders are trapped in a public policy version of [the movie] “Groundhog Day,” forced to refute the same fallacious arguments over and over again, decade after decade.” Sanchez (2003), cited in Irwin (2005). This amusing Hollywood reference is perhaps more revealing than the author intended, since the point of the movie was that the day would repeat itself until the protagonist (played by Bill Murray) *gets it right!*

reemployed within two years, with about half of that group ending up with a job that paid roughly as much or more than their previous job and the other half experiencing a wage cut of 15 percent or more. Thus, the rate of reemployment and wage changes for workers that Kletzer characterizes as trade displaced are quite similar to those for other workers. In other words, a common factor, most likely technological change, is behind the displacement in all categories.

Agrawal and Farrell (2005) also cite the Kletzer report in support of their view that the labor market effects of services outsourcing will be minimal.

On the other side, David Levy (2005) from University of Massachusetts at Boston Business School, who is skeptical of the beneficial effects of US services offshoring, writes:

The notion that trade enables industrialized countries to specialize in highly skilled well-paying jobs is widespread. The data, however, are mixed at best. In an extensive study of workers displaced by imports, Kletzer (2001) concluded that (p. 2) “the earnings losses of job dislocation are large and persistent over time.” She found that 63.4 percent of workers displaced from 1979–99 were reemployed with an average earnings loss of 13 percent. Workers displaced from non-manufacturing sectors did a little better: 69 percent found reemployment, with average earnings losses of only 4 percent, though 55 percent took lower paid jobs, and around 25 percent suffered pay cuts of 30 percent or more. In other words, 86 percent were worse off after displacement, 56 percent were greatly so. (Levy 2005, 687)

In *Exporting America*, Dobbs does not refer to other works, so it is not certain he is relying on Kletzer when he asserts that workers who lose jobs to outsourcing are “finding new jobs that pay only about 80 percent of their original wages” (104). This figure would appear to be an average taken from Kletzer’s study, including those not reemployed.

Somewhere in between these two views is that of Amiti and Wei (2005), who are slightly more agnostic on the implications of the Kletzer study for the offshoring debate. They write that: “The McKinsey report [which relies on Kletzer’s study] indicated that more than 69 percent of workers who lost jobs due to imports in the United States between 1979 and 1999 were re-employed .... Of course, this means that 31 percent were not re-employed, highlighting that there may be some rigidities in the labor market.” In this view it is labor market rigidities rather than offshoring per se which are keeping labor markets from clearing more quickly.

## **Conclusion**

My analysis of academic and everyday writing on US offshoring shows a mirror image in terms of politics and ethics. These parallel debates do not occur separately

from each other. Both academic and popular discussion reflects a keen awareness of the other, with academics claiming to seek to quell public fear. This stated objective of research veils a deeper connection between the academic and popular discourses. Prominent mainstream economists who stray from the political position generated by the old trade model were chided by their fellow academics for betraying the profession, despite the fact that this trade model had come under intense criticism from inside and outside the mainstream since the early 1980s.

As economic theory became increasingly unable to provide an unambiguous theoretical resolution to the debate, economists turned more to empirical testing. This, however, proved no less decisive. In this particular case, Kletzer's empirical findings on the cost of job loss from offshoring were subject to multiple interpretations.

Given the tentative nature of economic knowledge today, it would appear that the discourse of everyday economics has increasingly shaped both public opinion and the scope of academic discourse itself. That is, it is the popular writings on economic issues that determine the very questions that academics address in their research. From this perspective, it seems likely that academic economics will increasingly mimic the discourse and methodology of the best-selling book *Freakonomics*, since it brings a freewheeling combination of rational choice thinking and clever empiricism to bear on a variety of topics (such as abortion, crime and standardized testing) that are of immediate interest to our everyday lives.

## Acknowledgement

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**Part II**

# **Representational Economies**

# 3

# Economic

## **David's brief**

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1. Each essay should be approximately 15 – 20 pages (4500 - 6000 words) in length
2. Each essay should address the following three questions:
  - a. What are the alternative representations of the economy in your particular corner of the world?
  - b. What are the conditions and effects of how these representations operate?
  - c. What is at stake in using/producing one set of representations as against others in your work?

# Representations

● "I am not interested in examining economic representations (across the disciplines and outside the academy) merely in order to promote more or 'nicer', more respectful dialogue among the participants ... But I do want to explore the implications of the idea that economic knowledges don't solely or necessarily originate in or spread out from a center within the academy. Thus, in my view, economic theories and approaches can be seen as being produced, learned, and contested in many different sites, including academic departments other than economics and non-academic venues, and to be embedded in many different practices, again both inside and outside the academy."

David Ruccio, 2002  
Bellagio Study & Conference Center, Italy

Judith Mehta

## Over/writing.

**Judith Mehta** is an economist at the University of East Anglia. She is the mother of Joe, Genevieve and Emil, and the grandmother of Daniel and Alexander.

She likes reading and writing, drawing and photography, cinema and tv, dictionaries, DIY, shopping, talking, and sleeping. One half of her family is English and the other half is Indian. Her favourite philosophers are Jean-François Lyotard, Jacques Derrida, Michel Foucault and Martin Heidegger. Her favourite colours are **black** and **pink**.

When her children were young, she used to tell stories in funny voices. They've grown up now, but she still tells stories (don't we all).



▶▶▶▶ **Once Upon A Time**, Judith had a strong sense of the field of economics and of where the boundaries lie between economics and its cognate disciplines. These things were black-and-white. But as time passed, she came to care less and less about the boundaries of economics and more and more about actually 'being an economist' and 'doing economics'; she came to believe that boundaries simply get in the way. And so economics has

become more **colourful**; it's a pleasure dome in which the possibilities are limited only by time, imagination, and the constraints imposed by a series of short-term contracts (it's what happens in the UK if you aren't a well-behaved economist).

■ **discipline** *-n.* **1** a control or order exercised over people or animals, esp. children, prisoners, military personnel, church members, etc. **b** the system of rules used to maintain this control. **c** the behaviour of groups subjected to such rules (*poor discipline in the ranks*). **2** a mental, moral, or physical training. **b** adversity as used to bring about such training (*left the course because he couldn't take the discipline*). **3** a branch of instruction or learning (*philosophy is a hard discipline*). **4** punishment. **5** *Eccl.* mortification by physical self-punishment, esp. scourging. *-v.tr.* **1** punish, chastise. **2** bring under control by training in obedience; drill. The Concise Oxford Dictionary, 1990.

Judith is a pluralist, embracing multiple identities, multiple theoretical paradigms, and multiple **disciplines**. So she's quite happy spending some of her time teaching orthodox (that is, neoclassical) economics, and she particularly enjoys fiddling with game theory. Most recently her teaching has been focused on the economics of the mass media industries, giving particular attention to the impact of computer-mediated technologies on demand and supply (how is the industrial landscape changing? is there more choice and diversity in the range of products ...

available to consumers? are markets coming closer to models of perfect competition? and so forth). Most of her research time is spent, in one way or another, on rational choice theory, and she's currently investigating people's preferences, values and attitudes in the context of risk. As long as Judith is able to duck and dive between disciplines and paradigms, she feels she's maintaining her integrity as an economist.

■ **composition** *n.* **1a** the act of putting together; formation or construction. **b** something so composed; a mixture. **c** the constitution of such a mixture; the nature of its ingredients. **2a** a literary or musical work. **b** the act or art of producing such a work. ... The Concise Oxford Dictionary, 1990.

Judith spent two years at Erasmus University in Rotterdam teaching at the interface between economics and cultural theory, something that's impossible within the UK higher education system where the boundaries between disciplines are jealously guarded by academics and accountants. This was followed by three years as a Lecturer in Economics at The Open University (OU). The institutional arrangements and practices of the OU are unique in the UK in several respects. First, most of the OU's economists are heterodox in ...

## ■ ■ ■ On Composition:

Judith believes that collage, montage and bricolage are key elements in the composition of knowledge/s and seeks to make these elements explicit in her work through its typographical arrangements. She thinks that text is an assemblage of *objets* and *idées trouvées* in combination with ideas, issues, themes and obsessions continually revisited; the outcome is informed as much by serendipity and aesthetics as by the search for coherence and connectedness. She believes that when this notion is treated explicitly to the point of exaggeration it brings to the fore in order to disturb the protocols inscribed in the construction of text and the rules by which the text comes to be judged. By working in this way, Judith seeks to challenge modern preoccupations with linearity, fixity and closure, and the related notions of originality and authenticity; these are aspects of the text that determine the parameters within which representation is conventionally required to operate in economics.

orientation, and this is necessarily reflected in the practice of learning-and-teaching. Second, faculty are positively encouraged to teach across disciplinary boundaries, especially in the social sciences where it is themes and issues that are emphasized rather than disciplines *per se*. Third, the OU is a distance-learning institution with open access and so its student population is unusually heterogeneous in terms of age and background. In particular, many OU economics students have been discouraged by their earlier experiences of the teaching-learning environment and/or they lack confidence in mathematical techniques; these students tend to be 'mature', and they may be undertaking their studies at the same time as meeting heavy work and domestic obligations. Thus, compared to their counterparts in traditional universities, OU students bring a much wider range of interests and experiences to their studies and this leads them to be critical of orthodox representations of the economy; for example, for many students, the neoclassical representation of the firm as a production function somehow seems to miss the point of what a firm is and what it does. Economists at the OU are strongly committed to meeting the demands of their students and so the economics which is taught is critical and reflexive, with the minimum of technical complexity and with an emphasis on the impact of institutional and social factors on behaviour.

►► **Re/representation:** How is the term 'representation' to be understood? When the issue was raised at Bellagio in 2002, Stephen Gudeman proposed that 'representation as a relational idea refers to how we make one thing stand in for another thing'. This idea resonated with participants to the discussion. But what if there is nothing *but* representation, that is, that this thing stands in for that thing which stands in for another thing, ..., and so on? Judith suspects this to be the case, which leads her to believe that the search for some original and authentic object or practice in all its certainty is deeply misguided, and to agree with Stephen that most economists "cling to a questionable and dated epistemology" (see Stephen's essay in this volume). The questions begged by this point of view are as follows: What *rules* – both implicit and explicit – are inscribed in a given mode of representation, say, the mode embraced by neoclassical economics? What are the *effects* of that mode of representation, for example, what objects and practices are brought into Being in representation and, by implication, what objects and practices must remain in the shadows? What is it that renders one mode of representation more *persuasive* than another, say, neoclassical economics *vis-à-vis* new institutionalism, feminist economics or ersatz economics?

. . . an analytical device which transforms inputs into output.

*Production function.* The relationship between the output of a good and the

input (factors of production) used to make that good. It has the general

imperialism of the neoclassical tradition in modern economics and its form:  $Q = f(L, K, r \text{ etc.})$  where  $Q$  is

output,  $L$  is labour,  $K$  is capital,  $r$  is ersatz economic knowledges (or, the voices of wo/men-in-the-street),

technical progress, and where the etc. indicates that other inputs may also be relevant (e.g. raw materials).

Following Lyotard (1986), she is concerned with the question of *how to* indicate that other inputs may also be

relevant (e.g. raw materials). She continues to work with neoclassical economics in part because she thinks it would be a repetition of the

act of imperialism if silence was ever to be imposed on neoclassical economics. But, also, because Judith believes it is a condition of

writing *now* that a cover-up is impossible: neoclassical economic thinking always bleeds through, always foregrounds and is anterior to

*this* writing. And so Judith likes to put neoclassical economics where she can see it, where she can under/mine and over/write it in order to

graphically interrogate the idea of what it might be to be *over* neoclassical economics. *Consumer behaviour by an economic agent which is consistent with a set of*

preferences, utility and consumer demands theory, the rates of

consumption upon the goods he consumes and their amounts:  $U = U(X, Y, Z \dots)$  where  $X, Y, Z$  are the amounts of the goods in question. *Firm.* In standard neoclassical economics . . .

▶▶▶ Judith came to academia in her early thirties after employment in the public and private sectors in various capacities in business and the arts. She continues to participate in the field of the arts (mostly as a spectator) and from time to time provides free consultancy services to arts organizations finding it difficult to negotiate market processes. A period spent as an adult literacy and numeracy tutor influences her approach to economics now. Several of the students she encountered were problematized in their everyday lives for finding it difficult to relate to number and/or the written language; they often felt more comfortable with their own conceptual vocabularies, signs, and linguistic codes, and baffled or frustrated when these led to their representation as 'dysfunctional'. She read *The Man Who Mistook His Wife For a Hat* by the neurologist Oliver Sacks (1985) which alerted her to the

● "... I feel myself a naturalist and a physician both; and that I am equally interested in diseases and people; perhaps, too, that I am equally, if inadequately, a theorist and a dramatist, am equally drawn to the scientific and the romantic, and continually see both in the human condition ..."

Oliver Sacks, 1986, p.ix.

narrow constraints within which the 'normal' system of signs is assumed to operate and, by implication, to the wide range of human neurological faculties through which experience might be mediated and articulated if given the chance.

■ Excerpt from 'Meaning in the Context of Bargaining Games - Narratives in Opposition', 1993.

Bargaining games characterized by multiple equilibria pose a problem for mainstream (neoclassical) economists committed to the construction of models with powerful predictive and prescriptive properties. For many such economists the escape from these and other problems lies in a project of refinement to the existing theory. Yet a gap persists between accounts of behaviour framed by rational choice theory and experimental

● "The postmodern would be that which, in the modern, puts forward the unrepresentable in presentation itself; that which denies itself the solace of good forms, the consensus of a taste which would make it possible to share collectively the nostalgia for the unattainable; that which searches for new presentations, not in order to enjoy them but in order to impart a stronger sense of the unrepresentable. A postmodern artist or writer is in the position of a philosopher: the text he writes, the work he produces are not in principle governed by preestablished rules, and they cannot be judged according to a determining judgement, by applying familiar categories to the text or to the work. Those rules and categories are what the work of art itself is looking for. The artist or writer, then, are working without rules in order to formulate the rules of what *will have been done*. Hence the fact that work and text

evidence of how people actually behave in a bargaining situation. This chapter reflects the concerns of an alternative school of thought which sees the gap between theory and evidence, not simply as an isolated problem, but as a challenge to the epistemological foundations of the mainstream narrative.

I examine the ways in which presuppositions implied in the mainstream narrative shape a narrative of the bargaining game which precludes a full account of the contextual modalities of behaviour. Once behaviour is recognized as context-specific, or indexical, the search for solutions to bargaining problems becomes focused on the meaning ascribed by the actor to, among other factors, the social arena in which bargaining takes place. Yet applying the recent deconstructions of univocal notions of meaning and subjectivity to economic phenomena renders the precise modelling of significant features of this arena problematic. This exercise, at the very least, will draw attention to the dangers involved in the modernist attempt to construct accounts of behaviour with universal applications and will raise serious doubts about the standard economic approach to decision-making.

...

Two narratives appear to stand in opposition. The investigator requires a narrative of his or her own in order to entertain the possibility of theory in the first place: rational choice theory provides this narrative. If these assumptions were justified we would expect experimental evidence to reveal a concordance between the narrative of the investigator and the behaviour of the actor. Yet the gap revealed by experimental work suggests this is not the case. The individual depicted as a socially isolated, constant and unified whole appears to be a figment of the mainstream imagination, a narrative which can neither be substantiated nor justified theoretically. The existence of a dissonance calls into question both the legitimacy of the epistemological foundations of the dominant narrative and the universal applicability of models built upon these foundations.

...

One route forward lies with a wider ranging methodology, one that gives equal voice to actors and enables us to explore the ways in which meaning and identity are constituted through their rhetorical enunciation. Once we open the analysis to the actors' narrational framework we may entertain the possibility of more localized models with predictive powers. Whether or not rational choice theory can ever justify a prescriptive voice remains an open question.

have the characteristics of an *event*; hence also, they always come too late for their author, or, what amounts to the same thing, their being put into work, their realization (*mise en oeuvre*) always begin too soon. *Post modern* would have to be understood according to the paradox of the future (*post*) anterior (*modo*). ... Finally, it must be made clear that it is our business not to supply reality but to invent allusions to the conceivable which cannot be presented."

Lyotard, 1986, p.81.

● behavioural economics ● black political economy  
 ● ecological economics ● ersatz economics ● evolutionary economics  
 ● feminist economics ● Georgist economics  
 ● historical economics ● institutionalism ● Keynesianisms  
 ● Marxisms ● postcolonial economics ● postmodern economics  
 ● rhetorical economics ● social economics ● social constructivism  
 ● Austrian economics ● behavioural economics  
 ● black political economy ● ecological economics ● ersatz

▶▶▶ The Association for Heterodox Economics (AHE) (website: [www.hetecon.com](http://www.hetecon.com)) is an affiliation of economists in the UK who come together in their celebration of pluralism and in their opposition to systematic discrimination against those working with non-mainstream approaches in teaching, research and policy. The AHE embraces (but isn't limited to) Austrian economics, behavioural economics, black political economy, ecological economics, ersatz economics, evolutionary economics, feminist economics, Georgist economics, historical economics, institutionalism, Keynesianisms, Marxisms, postcolonial economics, postmodern economics, rhetorical economics, Schumpeterian economics, social economics, Sraffian economics, and social constructivism. The AHE's main event is an annual conference which is attracting more and more interest from within and beyond the UK since its inception 7 years' ago. Particular attention is given to supporting heterodox postgraduates (for example, through an annual graduate student training programme). The growth of the AHE provides grounds for optimism with regard to an improvement in the diversity of voices to be heard in economics. But the UK remains a lonely place to be for heterodox economists. It's still extremely difficult to facilitate heterodox postgraduate work, to secure employment as anything other than a neoclassical economist, and to get access to research funds.

■ Excerpt from 'Look at me look at you', 1999.

**I-con, therefore, I can**

It is on these grounds that I want to claim that the modern discursive regime constitutes a form of iconolatry which has subjugated, or rendered ersatz, the other knowledge of wo/man-in-the-street. The observation is an operator in the narrative of science; it acts as a dis/connecting device (or 'on-off' switch) to mark definitive boundaries between truth and fiction, nature and culture, producer and consumer. The observation is therefore an indispensable device in the modern narrative of the real.

As such, excision of this node (and the myths associated with it) is necessarily productive of alternative accounts of phenomena with greater meaning and relevance to their human s/Subjects.

...  
[Tyler's] injunctions appeal to those of us seeking to take the 'ersatz' out of ersatz knowledges, to downplay the voice of academic rhetoric in economics by refusing its monopoly on authority in the construction of narrative. ...

■ Excerpt from 'The Nature of Salience', 1994, jointly authored with C Starmer and R Sugden.

... This is measured by what we shall call the *coordination index*, *c*. Let *N* be

● "Because postmodern ethnography privileges 'discourse' over 'text', it foregrounds dialogue as opposed to monologue, and emphasizes the cooperative and collaborative nature of the ethnographic situation in contrast to the ideology of the transcendental observer. In fact, it rejects the ideology of 'observer-observed', there being nothing observed and no one who is observer. There is instead the mutual, dialogical production of a discourse, of a story of sorts. We better understand the ethnographic context as one of cooperative story making which, in one of its ideal forms, would result in a polyphonic text, none of whose participants would have the final word in the form of a framing story or encompassing synthesis – a discourse on the discourse." Tyler, 1987, p.203.

» » Things That Count:

There's something very seductive about the mathematical representation of ideas that has become central to the neoclassical paradigm. Perhaps it's the illusion that an idea or argument can be either right (and you earn a tick) or wrong (and you get a cross); therein lies an escape from anxiety and uncertainty. But there's also a satisfaction to be derived from the aesthetics of mathematical forms and from the thought that one can choose whether or not to engage in this mode of discourse.

the number of subjects in a group and let  $k$  be the number of distinct responses given by those subjects to a particular question. Let  $m_1, \dots, m_k$  be the number of subjects giving each of the responses 1, ...,  $k$ . (Notice that, by definition,  $m_i > 0$  for all  $i$ .) Then, for the relevant question, the coordination index is given by

$$c = \sum_{i=1}^k (m_i / N) [(m_i - 1) / (N - 1)]$$

This index measures the probability that two distinct individuals, chosen at random from the group, answer the question in the same way. The value of  $c$  ranges from 0 (when each member of the group gives a different response) to 1 (when they all give the same response). If subjects choose randomly from among  $s$  possibilities, the expected value of  $c$  is  $1/s$ .

● "Animals are divided into:

- (a) belonging to the Emperor, (b) embalmed, (c) tame, (d) sucking pigs, (e) sirens, (f) fabulous, (g) stray dogs, (h) included in the present classification, (i) frenzied, (j) innumerable, (k) drawn with a very fine camelhair brush, (l) etcetera, (m) having just broken the water pitcher, (n) that from a long way off look like flies." Chinese Encyclopaedia, quoted by Foucault, 1970, p. xv.

►►► **The Line Between:** Judith worries about typologies, categories and classifications of all kinds. She has no argument where these are employed in full recognition of their artifice and provisionality. But she sees the insistence on fixed and intransigent modes of classification as the essence of the modern theoretical regime – this desire to draw a permanent line between one thing and another and never to cross it. Of particular concern are the rules that distinguish between fiction and fact, and that assign some objects, practices and methods to the *economic* field and others to the *cultural, aesthetic* or *literary* fields. Judith conducted an experiment in teaching political economy with the help of works of fiction using, for example, Stanislav Lem's Cyberiad to develop an understanding of Hayek's ideas about the relationship between information and entrepreneurship, Charles Dickens' Hard Times for its critique of economic rationality, and David Lodge, etc. to illustrate various principles in Marx's account of the competitive process and institutional and behavioural critiques of the theory of the firm. Students took to this approach like ducks to water and each week turned up to seminars with more and more of their own readings to exemplify or challenge theoretical ideas in economics. It seemed that a fusion of the economic with the literary provided a discursive arena

that was particularly malleable to the development of ideas and debate; it was as if the explicit introduction of an element of fiction to economic ideas induced greater meaning and relevance in those ideas and more confidence in the students themselves.

**This is**

**fiction**

**This is**

**fact**

**This is economics ...**

"To simplify our analysis, let's assume that the size of Helen's factory is fixed and that Helen can vary the quantity of cookies produced only by changing the number of workers. Table 13-1 shows how the quantity of cookies Helen's factory produces per hour depends on the number of workers. If there are no workers in the factory, Helen produces no cookies. When there is 1 worker, she produces 50 cookies. When there are 2 workers, she produces 90 cookies, and so on." Mankiw, 1997, p.267.

**But this is just a story ...**

Victor Wilcox, managing director of a casting and general engineering firm, awakes: "Worries streak towards him like enemy spaceships in one of Gary's video games. He flinches, dodges, zaps them with instant solutions, but the assault is endless: the Avco account, the Rawlinson account, the price of pig iron, the value of the pound, the competition from Foundrax, the incompetence of his Marketing Director, the persistent breakdowns of the core blowers, the vandalizing of the toilets in the fettling shop, the pressure from his divisional boss, last month's accounts, the quarterly forecast, the annual review..." David Lodge, 1988.

■ Excerpt from 'A Disorderly Household - Voicing the Noise', 2001.

Exclusion, as Foucault (1984) argues, is the condition of a discourse: by placing boundaries between what is inside it and what is outside it, a discourse constitutes its objects. ... But it is a characteristic of any discipline founded on notions of exclusion that elements which lie outside the discourse retain a claim on those within it. On my interpretation, the Freudian notion of 'the return of the repressed' is a paradigm of the way in which elements which have been excluded return to challenge an organization of knowledge which would condemn them to silence. Such is the case when certain ontological assumptions about the nature of human subjectivity are disappointed in behaviour; exclusions return to haunt the discipline in the form of the problems and paradoxes which have surfaced in rational choice theory. *Ça vient de partir. - Ça revient de partir. - Ça vient de repartir*' says Derrida (1987), in a rephrasing of the Freudian compulsion to repeat.

...

How would we expect people to behave in this experiment, and what did they actually do? The next section represents a response to these questions. Rational choice theory's narrative appears in a column on the left, the players' own narrative appear on the right. ...

...

#### The last word

In the above representation neither rational choice theory nor the players are privileged with the last word on bargaining behaviour. Indeed, even within each narrative, there are several smaller narratives jostling for attention in the struggle to give meaning to behaviour. This observation unsettles my confidence as the organizing authority of the text: perhaps there should be more columns, less text, more text, but which text? It also becomes impossible to situate a 'Conclusion' at the end of the text, as the modern convention dictates; any conclusion about bargaining behaviour must be authorized by the narratives themselves and thus necessarily occupies their interstices.

● "Representation mingles with what it represents, to the point where one speaks as one writes, one thinks as if the represented were nothing more than the shadow or reflection of the representer. A dangerous promiscuity and a nefarious complicity between the reflection and the reflected which lets itself be seduced narcissistically. In this play of representation, the point of origin becomes ungraspable. There are things like reflecting pools, and images, an infinite reference from one to the other, but no longer a source, a spring. There is no longer a simple origin." Derrida, 1976, p.36.

#### ►► Vacant

**Terms:** How do we speak about whatever it is that

comes under the rubric of 'economic representation'? Judith is no longer sure about the meaning of the term *economic*. She sees *economic processes* everywhere and, hence, nowhere at all. It's as if constant repetition of the term – "economic this", "economic that" –

simply empties it of substance, neutralises the potency we try so hard to assign to it. She believes the idea of *representation* is also deeply problematic: this desire for the presence of a thing that leaves us constantly dissatisfied because some part of the thing is never quite captured, the circumscription is never quite complete – and always there is a little extra something or other sneaking in. It may be that the terms of the conversation need to be placed under erasure to indicate that, however problematic we perceive them to be, we continue to need them, to want them – we are nostalgic for the idea of an ~~economy~~ and the capacity to ~~represent~~ it.

● “I read the news today, oh boy,  
four thousand holes in Blackburn,  
Lancashire,  
and though the holes were rather small,  
they had to count them all.  
Now they know how many holes  
It takes to fill the Albert Hall.”  
Lennon/McCartney, 1967.

►► **It's A Fact:** There's something very worrying about Truth in the singular, and the facts that are taken to underpin it. It seems that in modern economics facts have come to take precedence over concepts – indeed, over thinking. And so we 'know' all kind of strange things that are about as useful as knowing how many holes it takes to fill the Albert Hall. But, more importantly, because economic facts rely so heavily on number, the meaning of things comes to be reduced to their calculable aspects. In this way, modern economics relegates to the shadows the multiplicity of alternative narratives that might otherwise be called upon to give meaning to things: all those identities, values and practices that would defy the orthodox metanarrative. This is what is at stake in representation; it's why we have to continually interrogate the ways in which we *think* and to experiment with new forms.

■ Excerpt from 'An Inalienable Narrative? Property Rights in China and the West', 2003.

... the narrative of property rights to be found in orthodox (that is, neoclassical) economics is a social construction reflecting modern European experience, aspirations, and cultural forms. As such, it fails to take into account the histories and social practices of countries which have only recently embraced the market as a form of economic organization. On this view, imposition of the narrative as an explanatory tool or prescriptive template constitutes a form of economic and cultural imperialism and has the potential

to impede processes of self-determination.

...

Economic ideas and policies are not as value-free and disinterested as the Western conceptual apparatus implies in reserving the term 'ideology' for systems of thought which are at odds with economic liberalism. As Hodgson (1993) observes, even applied theory depends on a set of philosophical and theoretical presuppositions. Ideas and policies are produced by socially-situated individuals and are culturally moderated, which is to say that they are social constructions; they are not 'facts', nor do they have an external substance. For example, the very idea of an 'economy' as an identifiable and self-contained sector of society is itself a social construction emanating from the Western conceptual apparatus. And there are no empirically-grounded reasons why the Western logic at stake in this apparatus extends to China.

...

... Recall that a (if not *the*) distinguishing feature of economic liberalism is the primacy of the individual. Arguably, it is this feature of the *grand narrative* which has led to consumerism becoming iconic in mature capitalist societies such that consumption 'for use' has been transformed into consumption 'to be'. Economic liberalism is, therefore, something of a Trojan horse since it brings with it the specific notions of identity, and of the relationship between individuals, which we find expressed in the idea of private property rights; in this sense, economic liberalism is ontological. It can then be argued that, in promoting a particular economic system, economic liberalism at the same time regulates the limits to collective identity and collective action. ...

Economic activity cannot be uncoupled from its cultural forms, in the West any more than in China. Analysis of these forms in the province of Shanxi serves to indicate the need to develop a theoretical space in which ideas about ~~development~~ and ~~the transition process~~ can be explored without invoking totalizing modes of discourse. As the striking out of terms suggests, these ideas can be productive *if* there is sensitivity to the conditions which produce them and, specifically, to the eurocentrism of the dominant economic paradigm. Within this paradigm, notions of ownership and control extend far beyond simple notions of use value and are inseparable from notions of identity insofar as they are regulative of specific modes of exchange between specific identities. In other words, understanding property rights is about understanding identity.

▶▶ **Multi/inter/trans-disciplinarity:** Judith feels decidedly uneasy about the idea of ~~interdisciplinarity~~ and has never seen it put into practice; claims to ~~interdisciplinarity~~ never seem to exceed multidisciplinary. She finds the idea of transdisciplinarity more appealing for its resistance to disciplinary boundaries, preoccupations and protocols. She's not sure what transdisciplinarity would look like, and she's not sure whether it's achievable; but it feels like an important objective to have in one's sights in order to better understand the rules of the game.

■ Excerpt from 'Look at me look at you', 1999.

**The indigo effect**

The image in question is entitled 'Argenteuil, Les Canotiers'; it's an oil on canvas, and it was produced by Edouard Manet in 1874. In the foreground, a man and a woman are sitting in a boat; trees and meadowland occupy the middle distance; and in the background is a village, or a small town, with a smoking chimney just visible.

Now here's one possible reading of the image. The spatial relation between Factory and Nature seem to suggest that neither is implicated in the other. Here we have an innocent rural idyll: a landscape in its originary state, untouched by human intervention. As the art historian TJ Clark (1985) suggests, we might imagine that this was not a terrain where industry was master at the time of the painting. Arguably, the only link between human industry and Nature is provided by the actors; we can imagine that perhaps these are two factory workers spending their day off at the river.

The river of Manet's painting is represented by deep shades of indigo, colours which emit the richness and vibrancy we have come to associate with Impressionism. However, we 'know' the Seine at Argenteuil isn't really indigo because we've seen many rivers, even if we haven't seen this one, and they are usually much duller in colour. But our reading of the painting is modulated by science,

which takes charge of the lack of correspondence between the image of the river and our everyday perception of rivers. So we also 'know', because chromatology tells us, that indigo is one of the components of the

colour of river water. There is, then, no contradiction between our experience of rivers and Manet's representation of this one. We can imagine, by adding a little bit of science, that Manet is seeking to represent the underlying structure of the colour of river water, one of the elements of which is indigo.

Here's another 'fact'. Industry was developing rapidly along the borders of the Seine in the 1870s. Indeed, several large chemical-dye factories were located just a few miles upstream of Argenteuil, including an indigo factory which used the latest technology to produce artists' oilpaint. This factory deposited its effluent in the Seine, which changed the colour of the water to the particular shade of indigo which Manet used to represent the colour of river water. Thus it would seem there is a deep complicity between the object (river water) and that which has been used to represent it (oilpaint of a certain shade of indigo). So here's another reading of the painting. It's an ironic commentary on the way in which modern technology circumscribes and constrains the possibilities for representation – as well as the object of representation itself.

There's one further knot in the tale. Real indigo oilpaint was very expensive – too expensive for some of the Impressionists whose budget constraints dictated that they resort to artifice and use a mixture of cobalt and black. So the 'real' colour of river water was represented as if 'real' indigo oilpaint had been used.

Do you 'get the picture'?

● "The conditions of the possibility of experience in general are likewise the conditions of the possibility of the objects of experience."  
Kant, [1855] 1968.

... the proposition invoked by this tale of a painting is that the object of representation is inseparable from the tools used to represent it; while the tools of representation are, in turn, inseparable from the object. This is what I call 'the indigo effect'. ...

►► On Form & Content: Judith is preoccupied with the relationship between form and content, that is, between the presumed interior and exterior dimensions of the text where the distinction between epistemology and ontology appears to be falling apart. Following Barthes

● "Pictures, to be sure, are more imperative than writing, they impose meaning at one stroke, without analysing or diluting it. But this is not longer a constitutive difference. Pictures become a kind of writing as soon as they are meaningful: like writing, they call for a *lexis*. We shall therefore take language, discourse, speech, etc., to mean any significant unit or synthesis, whether verbal or visual." Roland Barthes, 1972, p.110.

(1972), she treats 'text' as any significant unit or synthesis, whether verbal or visual, and including the typographical arrangements of the work. This approach is grounded in the perception that every element is neither simply inside nor simply outside of the work but in interpenetrative relation. Then, every deviation from the norm, however apparently trivial, throws up a rule of the game that is waiting to be interrogated: does

● "A *parergon* comes against, beside, and in addition to the *ergon*, the work done [*fait*], the fact [*le fait*], the work, but it does not fall to one side, it touches and cooperates within the operation, from a certain outside. Neither simply outside nor simply inside. Like an accessory that one is obliged to welcome on the border, on board [*au bord, à bord*]. It is first of all the on (the) bo(a)rd(er) [*Il est d'abord l'à-bord*]." Derrida, 1987, p.54.

this rule impose limits on what can be known and the manner of knowing it? If we were to dispense with this rule, how would the work change? what would be lost, and what would be revealed?

■ Excerpt from 'To be or Not to be? The ontic and the ontological in economic enquiry', forthcoming 2008.

But, as Heidegger argues, order and control come at the cost of imposing limits on what can be known and the manner of knowing it. That is, number, measurement and calculation enter into play as the essential determinants of things, announcing their coming-into-being – but only in the generalised forms already assigned to them in the

● “The characteristic of positivism, wherein we have stood for decades and today more than ever, [*is that*] it thinks it can sufficiently manage with facts or other and new facts, while concepts are merely expedients which one somehow needs but should not get too involved with, since that would be philosophy.”  
Heidegger, 1967, p.67.

projected realm. And once the meaning of things is reduced to their calculable aspects, only a narrow kind of data is available to investigation. In the neoclassical analysis of production, for example, workers exist in the generalised form of ‘units of labour’ where their attributes and value are measured in terms of ‘units of output’. Economists might, then, argue the toss over issues such as the particular form of the production function (is it, or is it not, linearly homogeneous?), or the number of workers required to produce a certain amount of output for the firm (is it

three or four?); but these are matters that can be resolved by recourse to further observation of seemingly objective facts and then by calculation. It is this approach to phenomena that has become the *modus operandi* of the mathematical in neoclassical economics, where the axiomatic project posits itself as the authoritative principle of knowledge; it stands as: “the court of appeal for the determination of the being of what is, the thingness of things” (Heidegger, 1967, p.108). ... But, of course, as feminist economists have been quick to point out, since a gendered structure is already imposed on the domain of production, a wide range of economic identities, values and practices are rendered invisible and cannot be analysed.

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■ Excerpt from 'Accessory to the Fact/s: Culture and Economics', forthcoming 2008.

... This is not to dispense with a notion of Truth, but to recognize in the Heideggerian tradition that *Truth is that which is adequate to its formulation.* ... in orthodox economics that formulation is inscribed in the ordained relationship between form and content, that is, in the rules which determine what may said and how one may say it. It is only when there is a movement against these rules that they emerge from concealment and we may observe a *lack*, or a limit to understanding, in the dominant paradigm. ...

... The *parergon* is a supplement (*para*) to the work in question (the *ergon*) which appears to lie beyond or outside it, like the frame around a painting or the columns around a building. According to Kant, the *parergon* separates that which is integral to, or part of, the work, and that which is extraneous to it, while having no part in determining the meaning and value of the work. ... Derrida, however, brings into question this distinction between the interior and the exterior; he finds it problematic to determine the limits to a work, and asks: what is this thing which is neither essential nor mere accessory? where does it begin? where does it end? what is it that is being framed? and what is it that is being excluded as frame? He proposes that the *parergon* is not merely a seductive ornament, but announces some lack or inadequacy on the part of the work; without this lack, the *ergon*

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would have no need of a *par-ergon*. Thus, it is an internal structural link which rivets the parergon to a lack in the interior of the work. ...

...

The imminent collapse of form into content at issue in the idea of the parergon is necessarily invoked in the presentation of ideas of which this Introduction is a part. Consider the task performed by an Introduction: it presents itself as a frame – indeed, as you are about to see, this one frames the frame which frames the work. But is it merely an accessory to the work? something more? something less? can we dispense with it? what are its effects? how does it change the meaning and value of the work? what *is* the work: where does it begin and where does it end?

### » » The Author-ity

**Game:** David asked for an autobiographical statement to accompany Judith's composition. She knows him too well to think he implies any fixity in this request. She thinks she is as provisional as the texts she reads and the texts she writes, that she arranges text at the same time as being arranged by it. And so it becomes very important to debunk the myth of the transcendental observer by explicitly writing herself in to the text (on this occasion, in the

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third person). Not least, a response to the question of *What is at stake in economic representation* must turn on the nature of author-ity, specifically, we have to ask: what is at stake for this person who is doing the representing? what is at stake for those who are being represented? how, and why, is each composing the other? One of Judith's colleagues commented once that she abdicated too much authority in refusing to write a Conclusion to an essay. Her response was that the notion of author-ity needs to be contested; it can't

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be taken for granted, there's too much at stake.

what *is* the work? where does it begin and where does it end?

# 4 Culture and myth in historical representations of Appalachia's economy

*Mary Beth Pudur*

The original mythology is a kind of net in which new materials will be caught; but when a fish comes along too big for the net to comprehend, the net must either stretch or break, be cast aside or repaired on a new scale. The myths we inherit carry the marks of past reworking, and beneath their smooth surfaces they conceal the scars of the conflicts and ambivalences that attended their making. (Richard Slotkin, *The Fatal Environment*)

A given culture is only so strong as its power to convince its least dedicated member that its fictions are truths. (Hayden White, *Tropics of Discourse*)

I entered eastern Kentucky for the first time by climbing up and through the Cumberland Gap, a great mouthful of the Cumberland Mountain, the furthest west in the ridge and valley province of the Appalachian Highlands, eaten away in distant geologic time by the forces of uplift and erosion. To venture into eastern Kentucky this way was full of symbolic significance to a historical geographer. I had self-consciously chosen this route as a way of retracing the steps of the people who settled Appalachia, the people I would be studying. What better way to begin understanding the people and their regional economy, to move beyond an understanding that had resided only in books and articles, than to follow their same tortuous path to historical destiny.

I had arrived thoroughly educated in the history and mythology of Appalachia – the line between the two often blurred. The all-encompassing theme of that history and mythology centers on Appalachia's "otherness." Appalachia is a region geographically located, if not smack in the middle of America, certainly well within its borders: it is not a region on the "edge." Yet with few exceptions, writings about Appalachia – its economy, culture, and social life – always seem to stress the region's separateness from the rest of the country. Even writings whose ostensible purpose is emphasizing similarities between the region and nation try first, with varying degrees of success, to wrestle to the ground the pervasive claim of otherness.

The character of Appalachia's otherness consists in a web of material practices, cultural images, and their meanings that have come to define the region's identity. The starting point is the recurrent pattern of cultural images and meanings

surrounding Appalachia that are promulgated *outside* the region and then attached *to* the region, based on some set of observations of social, economic, or cultural practices *within* the region. Most representations of Appalachia are derived from, but are not produced within, the region. Small wonder, then, that Appalachia came to be defined as “the other”: some ones other than people living in the region had been spreading the word.

The ensemble of material practices, images, and meanings converge around a style of living in Appalachia that can be termed “homespun”: a simple yet sturdy way of life filled with unpretentious yet enduring pleasures. This is the myth of Appalachian regional identity. The myth has social bases in historical and present conditions in the region, to be sure, but perhaps its boldest strokes have been drawn by a wider American culture seeking to locate within itself some part, some other part, ostensibly untainted by the crass commercialism of capitalist society. This other part has a deep attachment to an unyielding land and retains the skills and virtue necessary to work that land, whether as subsistence farmers or coal miners. This other part has the willingness and ability to go without many of the comforts of bourgeois society: to “make do” with what is at hand in the making of clothes, meals, houses, holiday decorations, and all the other cultural trappings of life. Moreover, in making do, this other part does not feel itself slighted for what is absent from commercial society. Instead, it seeks communion with kin, neighbors, and above all with God and dreams of its life in the afterworld.

This blissful idyll is the myth of Appalachian regional identity. But like all myths, the idyll has a darker side, too. Americans undoubtedly value and admire the arts of “making do” along with the virtues necessary to produce homespun goods. In these goods and virtues American society locates its own origins and identity in the stormy transit across the Atlantic Ocean from Europe, the first harsh colonial days spent huddling against the wilderness and then among the exacting conditions found along the many successive settlement frontiers extending to the western horizon.

At the same time, American society has moved far, far beyond the age of homespun and, aware of how far it has moved, values, admires, and ceaselessly measures its material progress. Corporate CEO’s find an eager audience for their tales of avarice and cunning, of “making it to the top.” American culture thus harbors a view of its history as both a mirror and a broken glass: an internal cultural contradiction both embraces and rejects the past and seeks at once to preserve and eliminate its cultural relicts.

For the mythology of Appalachian regional identity, this means, while perceived aspects of Appalachia’s historical economy and culture can be cherished as relicts for their associations with American origins, they can be reviled for precisely the same reason. In the wink of an eye, Appalachia’s homespun ways are transformed from a sacred relic worthy of admiration to an unrecognizable vestige subject to derision, a culture of poverty defined by its failure to keep pace with the wider capitalist dynamic of American culture – a dynamic whole which, in the final instance, is the “real” America. In this sense, Appalachia differs from other

regions, like northern New England and the intermountain west, where rurality and insularity are considered sources of cultural vitality and not of failure.

The origins of this antinomic mythology of Appalachian regional identity can be traced to a concatenation of events at the turn of the twentieth century that placed Appalachia at the center of wider literary currents and societal debates then taking place in America. Other scholars have illuminated this process of myth-making. The seminal work is Henry Shapiro's *Appalachia on Our Mind*, in which he considers three different sets of agents whose activities on the behalf of Appalachian culture involved myth-making. First were the so-called local color writers whose tales of "a strange land and peculiar people" filled weekly literary magazines, sating an apparent hunger of the new urban middle class for reading about the exotic and primitive within its midst. Another group discussed by Shapiro is the protestant missionaries who began colonizing the mountains during the late nineteenth century in search of pure, lost souls. A third group's cultural work on behalf of Appalachia involved the turn of the century arts and crafts revival and centered on establishing craft schools in the southern mountains.

Another key text marking a similar terrain of myth is David Whisnant's *All That is Native and Fine*. This study focused on three specific organizations representative of larger institutional categories: the Hindman Settlement School, the Olive Dame Campbell Craft School, and the Whitetop Music Festival. Whisnant emphasizes how each engaged in "systematic cultural intervention" by winnowing Appalachia's material culture and separating out for preservation, veneration, and, ultimately, consumption by outsiders, only certain aspects of that culture which most resonated with cultural imperatives in the wider society.

The mythology of Appalachian regional identity is thus rooted in the discovery of the region at the turn of the century by the rapidly urbanizing and industrializing American society. This discovery took place roughly at the same time as the closing of the western settlement frontier when the American nation, perhaps for the first time, was feeling itself hemmed in: seeing its borders less as distant horizons and perhaps more as oppressive boundaries allowing no release for America's cultural spirit of frontier rebirth and renewal. Renewal would now have to take place within national boundaries through the discovery of surviving frontiers. In this way, Appalachia became identified as a "retarded frontier" in one academic article published during 1899 and, in another, the people of Appalachia identified as "our contemporary ancestors" based on material practices of household subsistence production that were widespread throughout the region.

Once identified with such melancholy epithets, Appalachian culture became "the other" America. From the start, Appalachia's status as "the other" contained the tension of representing both the best and worst of America: a land where tradition could be venerated and also used as a negative image to mark the progress of American society. The extent to which Appalachia figured into national cultural discourse, along with which pole of its antinomic status figured into the discourse, came to depend on conditions obtaining outside the region in urban industrial society. During the Great Depression, for example, when the viability of capitalism was openly questioned, the optimistic representation of Appalachia was

omnipresent. Appalachia became an antidote to national problems, a place where people could still work the land unshackled to the market. Later in the century, however, during the 1960s when postwar pride in American material progress was perhaps reaching its zenith, Appalachia could be held up as a stubborn reminder of how some places and peoples had failed to wake up to the American dream.

In his discussion of the mythology surrounding Colonel George Custer's "last stand" at Little Big Horn, Richard Slotkin reminds us of how cultural myths attain linguistic significance as common reference points in cultural discourse. Myths function as metaphors generating similitude between an event of the past that has been imbued, if not overloaded, with some set of meanings and an event taking place (or being described) in the present. Slotkin shows how, as a linguistic trope, the "last stand" is thrown up again and again in cultural discourse during moments of "defeat and beleaguerment," most recently during the Vietnam War, to evoke a culture possessing "the grim resolve to fight to the last, neither giving nor expecting quarter."

"Appalachia" functions similarly, albeit with different meanings, in American social and cultural discourse. The mere mention of the word "Appalachia" can easily call forth a misty-eyed image of the simple life, a world regrettably lost to the nation as a whole but surviving – mysteriously – within the sheltering mountains. "Appalachia" can also be a metaphor for economic and cultural backwardness and the most obvious manifestation of such backwardness: namely, poverty. Many years ago, *The Village Voice* published an article about urban decline in the south Bronx which stated how conditions in that then-sorry New York City borough were "like Appalachia." What was meant here was that conditions had deteriorated, that conditions in the Bronx were so bad they were as bad as everyone knew and could agree upon their being in Appalachia. The simple word Appalachia distilled the essence of poverty and hopelessness in the United States.

Perhaps because the very place name "Appalachia" became overloaded with cultural and economic associations, Appalachia as a place with a past, present, and future economy and culture has remained only dimly understood. This point was driven home to me a couple of years after I had embarked on my fateful journey through the Cumberland Gap. I was giving an invited talk about my research on Appalachia's historical economy when an audience member asked me what, when all is said and done, I thought people in Appalachia "really want." The presumptuousness of this question startled me because I had spent a mere 15 months in Kentucky, much of it in air-conditioned archives far removed from daily life in the mountains. But the question had been an earnest one, deserving an earnest answer, and so I responded that I believed people in Appalachia want what most people in America want: a good job and better television reception.

This incident has stuck in my mind because in it is revealed a plain fact about representations of Appalachia and its historical economy: what is important to understand about Appalachia is nothing more or less than what is important to understand about America. In the first and last analysis, people in Appalachia are Americans. They wave the red, white and blue, send sons and daughters to fight for those colors, measure their income in dollars and cents, shop at Walmart, eat

at fast food franchises familiar to most Americans, and cheer for their local high school football teams on crisp autumn evenings.

Why does the plain fact of Appalachia's being America come as such a surprise? Why would anyone assume people in Appalachia would have aspirations different from theirs? I believe the answer to these questions resides in the manner American history, particularly its economic history, is conventionally written and taught and, relatedly, how Appalachia does and does not figure into those representations. The decades spanning the passage of the eighteenth into the nineteenth century when Appalachia was settled, commonly called the early national period of American history, tend to be chronicled in terms of contentious debates between republicans and Whigs over what kind of nation America was to become. What kinds of institutions would govern the nation, guide its commerce, and regulate its incipient capitalist development? How would the nation satisfy its already insatiable hunger for land, always more land, for the entire sweep of the continent from Atlantic to Pacific? How would that land be obtained, first, and then carved up for settlement? When these questions are set in motion as historical geography, the story of American history moves quickly from the colonial hearths along the Atlantic seaboard to the verdant interior of the old northwest beyond what is often called the "Appalachian barrier." In short, the historical problem of Appalachia during the early national period was getting through and beyond it to the promised land of the Midwest.

Even the much-vaunted frontier history that enjoyed a recent renaissance marks the frontier's beginning, after a respectful nod to Daniel Boone's heroic exploits in Kentucky, in the arid plains and prairies of the "true" west. Rarely acknowledged is that Appalachia was where the great American drama of westward economic expansion received its first, full staging. Many of the strategies devised to wrest land from Native Americans, many harsh lessons of migration through uncharted terrain, and many necessary sacrifices of wilderness living were first learned by the new nation in Appalachia.

These contributions seemed to have been expunged from the nation's collective historical memory, at least to the extent that memory is represented in comprehensive surveys of American history. Moreover, the subsequent history of Appalachia, the story of what happened in the region once it was settled, has gone largely unnoticed by students of American history. To state the situation in extreme terms, American history has treated Appalachia as a barrier to be overcome but, once overcome, not as a region where American history actually took place: where people settled, made their livelihoods, worshipped God, divided into social classes, and sought improvement in their material standard of living.

While largely bypassed by American historical writing, Appalachia has curried favor among scholars seeking the arcane reliquary and grim underside of American life. Early in the century, for example, anthropologists began mining the region for its folkways, classifying them as primitive species of a more advanced American cultural genus. After mid-century, studies of Appalachia began appearing that translated this presumed, yet celebrated, cultural backwardness into a culture

of poverty. In this way, Appalachia earned its enduring image as the “other America.”

Only recently, since the late 1960s and 1970s, has a distinctive regional scholarship emerged attempting to re-insert discussions of Appalachia into wider critical debates over the nature of American society and the American road of capitalism. This literature emerged at a time when notions of a solidly homogeneous American culture and society were being sorely tested by social movements and economic transformations. Appalachia has found its voice through this scholarship no less than because many of the scholars producing it are native to the region. But for all its wide objectives, this scholarship has chiefly “added” Appalachia to discussions about America as another voice, as it were, among the growing cacophony of formerly suppressed minority voices. In other words, this literature has had the unintended effect of heightening the difference between Appalachia and America.

There are notable exceptions in scholarship and artistic representations of Appalachia which, rather than attempting to place Appalachia within a larger American context, have sought the opposite: to reinscribe American history into the history of Appalachia. Dwight Billings and Kathleen Blee’s magisterial study, *The Road to Poverty*, offered the first and only longitudinal study of Appalachia analyzing an individual county’s economy and society from the earliest years of its settlement to the contemporary era. The study establishes the expanding world capitalist economy, and European settlement of North America within that expansion, as the overlapping contexts for early land speculation and resource extraction in the Kentucky Mountains. In particular, Billings and Blee emphasize the early salt industry – a prized commodity before the advent of modern production – as the link between European settlement in Clay County with the national and world trading system. Because of the importance of the salt industry to the entire Kentucky economy (not only Clay County’s), the state legislature favored it. Moreover, its phenomenal success helped Clay County producers amass vast wealth in land and slaves, and enjoy high social status and political rank within the local society to match their economic standing. During the 1830s and 1840s, Clay County was hardly the picture of economic backwardness and marginality that would come to characterize Appalachian Kentucky by the end of the nineteenth century.

The signal contribution of Billings and Blee’s longitudinal historical sociology is how they connect the competitive decline of the salt industry during the immediate antebellum era with failures of the local state. Under a wider (state level) political regime of rampant localism, Clay County’s became dominated by what Billings and Blee term a “patriarchal moral economy” of household subsistence production whose central dynamic was extension and preservation of kin relationships on the land. In the place of developmentally minded middle and upper classes – the local political elite – who might have used their salt- and slave-based wealth to effect a transformation of Clay County’s economy, the local state became consumed with internecine family-based political rivalries that foreclosed other development paths. Failures of the local state contributed

mightily to impoverishing the Appalachian region and many of its people. Their far-reaching analysis draws attention to the ways wealth and poverty in Appalachia, like other American regions, were constructed at multiple levels, inside and outside the mountains, and were a result of political *and* economic process rather than the quality of its soil and culture.

Another notable exception to representing Appalachia as an “other” American place and culture is Robert Schenkkan’s 1992 Pulitzer Prize-winning play *The Kentucky Cycle*.<sup>1</sup> *The Kentucky Cycle* is a series of nine short plays, designed to be performed in two parts (a total of 6.5 performance hours), that chronicles the changing fortunes of the Rowen family in Appalachian Kentucky from the Revolutionary War era across two centuries to the mid-1970’s. Schenkkan abandons the usual array of cultural stereotypes about backward hillbillies, along with the usual props like quilts, dulcimers and banjos, in favor of an epic retelling of American history on an Appalachian stage. Threaded through the nine plays are recurrent themes of violence in the name of resource control, fathers burying their sons *and vice versa*, lost opportunities for love and redemption and vain attempts at economic independence. The only stereotypical Appalachian cultural prop featured prominently across the cycle is the gun, but its presence is essential to Schenkkan’s point of emphasizing the centrality of violence and retribution in American life, in causes as diverse as familial love and union organizing.

Dramatic representations of Appalachia’s history like *The Kentucky Cycle* bear witness to how our understandings of Appalachia’s economy and culture are bound together: economic performance is measured in cultural practices and cultural beliefs underwrite economic development trajectories. Rather than being a deviation from the norm, however, the way culture and economy mutually constitute each other is perfectly consistent with wider representations of American economic history.

America’s greatest cultural myths more often than not center on the national economy. What is the mythic trope of the frontier, after all, but a myth of economic abundance? What is the myth of progress, but an unbridled assertion of capitalism’s everlasting power to improve American life? Richard Slotkin went so far as to call the myths of frontier progress the very bases for modern economic development theory and praxis.

This is not to say American capitalism does not exist as a material, political, and economic force to be reckoned with and, by suggesting the national economy exists as a cultural myth, I am not attempting to dissolve it into a cultural ether whose intrinsic interest lies in its potential for discursive engagement. Instead, I assert that “the American road to capitalism” has been incorporated into the central

1 Interestingly, praise for *The Kentucky Cycle* was not forthcoming from scholars and others within Appalachia, who roundly criticized Schenkkan’s play as another distorted outsider’s attempt to make sense of the region, its history, and people. Negative reaction to *The Kentucky Cycle* stimulated another round of debate on insider versus outsider representations of Appalachia that culminated in publication of the book *Back Talk from an American Region* (Billings *et al.* 1999).

myths defining American national identity. The genuine, if unequally distributed, abundance afforded by American capitalism is not outside the realm of myth, as a material “base” supporting a mythic “superstructure” – to employ a hoary metaphor. Rather, the cultural myth of American capitalism, consisting in the faith that individual and collective prosperity can be achieved through the unfettered workings of the competitive free market, is constitutive of American identity. The myth figures largely in the undertakings of the nation, including the conduct of foreign policy and content of domestic policy. It shapes a range of cultural choices Americans make in the examined and unexamined realms of their daily lives.

The cultural myth of American capitalism rests on a complex of material foundations. Perhaps most basic, and at the same time most fortuitous, is regional resource variety and plenty. As a nation, the United States is blessed with many different ecosystems, each with their differentiated geologies, topographies, vegetations, and climates, whose combinations have created a rich patchwork of environmental possibilities. In few other nations it was possible even before the advent of scientific agriculture to cultivate so effortlessly such a wide spectrum of the world’s crops. Another critical foundation has been a frequently replenished pool of entrepreneurial talent as well as skilled and unskilled labor. As control of the land and culture of the land were wrested away from Native Americans, America became a land of migrants from foreign shores. This was always a selective migrant stream, and always, seemingly, just the sort of stream that was needed or could be used to fuel the current phase of national capitalist development. So much of “American exceptionalism” comes to rest on this simple fact of continual immigration throughout the nation’s history.

Other foundations of the cultural myth of American capitalism were the conditions surrounding the birth of the nation. American observers often note the prophetic coincidence between the timing of the first shots fired at Lexington and the publication of Adam Smith’s *Wealth of Nations*. The meaning of that coincidence is described as America’s embrace of the free market that would be like no other nation’s hitherto: the two events collided to give the free market wide margin to perform its beneficent magic. There was, of course, raging political debate at the time over the actual width of this margin, and scholars continue to debate the extent to which the nation was truly committed from the start to free-market capitalist development. But even if we hold out the possibility of the counterfactual, that America might have chosen some other road, the fact remains the capitalist road was chosen, notwithstanding moments of resistance and occasional retrenchment – and we continue to live out the enduring effects of that political economic choice. This has meant the relentless penetration of the free market throughout geographical as well as social space has become both a systemic imperative of America’s increasingly internationalized economy *and* America’s collective cultural mantra. Contemporary debates over the creation of hemispheric free trade zones, linking the United States with American neighbors to the north and south, can be seen within this cultural lens. So, too, can be seen the

protracted debate over the effects and meaning of women's increased participation in the wage labor market. Both these and other contemporary debates reverberate with America's working out, in cultural terms, its long-standing allegiance to the mythic free market as the guarantor of individual liberty and prosperity.

Scholars often play with the idea of how important culture is to specifically national forms of capitalist development, whether the nation is Prussia during the nineteenth century or Japan in the twentieth or China in the twenty-first. What I am proposing here is somewhat different: not that culture has shaped the American economy, as certainly it has. What I am getting at is the other side of the dialectic, at how the economy is inside American culture itself. Belief in the free market is so much more than an ideology, something attached to but outside our national identity. Rather, belief in the working of the free market constitutes our national identity.

One enduring imprint of economy on culture is in the way American history gets written. A culture of the beneficent free market ineluctably influences choices made by writers and teachers of American history as to the spaces of history that figure into their representations. This is no mechanical determinism, however. Instead, it is a blindness to the spaces where the free market perhaps didn't quite work its magic.

Appalachia is one of those spaces in America. Appalachia is a region whose economy during the nineteenth century, after a few promising starts, languished in subsistence production and localized barter long after other neighboring regions had taken bold strides along the national road of capitalist development. Markets and market-oriented production were not absent from the region's preindustrial economy, but the region's agricultural economy did not experience the same degree of commoditization as neighboring regions like the midwest and deep south. When Appalachia's regional economy was transformed by industrial capitalism, as it was at the turn of the twentieth century, the region's experience with capitalist development was wrenching. For a host of well-documented reasons, capitalist development in Appalachia never seemed to yield the same benefits and advantages it did for other American peoples and places.

These historical exigencies have made Appalachia a blind spot in American history: in the writing of American history and in its teaching. To recast the extreme terms suggested earlier, historians wouldn't want to find American history in Appalachia because, assuming they wished to draw an honest picture, that picture would be sorely at odds with the cherished myth of free market beneficence. We have shelves groaning with the historical weight of New England studies, guiding us step by excruciating step through that region's remarkable transition to capitalism. In Appalachia we hear comparative silence. Instead of regional histories there are cultural myths of Appalachian identity construed in opposition to American history.

Appalachia's troubled history denies American myth. Moreover, both antinomies of Appalachian myth – a culture of homespun and a culture of poverty – each in their own way refuse identification with America's myth of free market magic. The cultural myth of homespun is essentially anticapitalist. It offers

the possibility, if not melancholy hope, that living largely outside the imperatives of the market makes for a purer, more genuine culture – in spirit and in practice – than does answering the siren call of the free market. The culture of poverty myth is also intrinsically anticapitalist. As originally theorized in the 1960s, Appalachia’s vaunted culture of poverty was said to result from the region’s isolation from capitalist development, as if the region’s often bloody industrial history had never taken place. Voices from within Appalachia have been important correctives to such accounts by arguing that the region’s integration into global capitalism has yielded precious little of the promised prosperity.

The denial by Appalachian history and myth of larger national myths, like so many other troubled relationships between the region and the nation, was captured eloquently by the late Harry Caudill when he wrote, “the Kentucky Cumberlands are a great many things, but most of all they are a warning.” The writing of American history rarely heeds such a warning. As a result, against the monumental epic of American history, the history of Appalachia has become, at best, a tragic sideshow.

I’m not the first traveler to have arrived in Appalachia seeking difference only to find a mirror of the larger nation. Heavens knows I won’t be the last. Appalachia seems to have a stubbornly captivating hold on the American consciousness. I have come to see this as America all but needing to believe in Appalachian otherness. It is a region continually being re-discovered by America as America continually re-discovers itself and re-works its ensemble of cultural myths to accommodate what is discovered.

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**Part III**

# **Academic Economies**

# 5 I'm always searchin'

## The consumption of the job market in English

*Evan Watkins*

I want to talk about three ways in which economics (economic thinking, economic practices, economic discourses) has had transformative effects on my discipline of English. These are not the only ways, but in their diversity they have a certain representative status that might help explain something about other effects as well. Two of these ways involve internal developments within English as a university discipline: the transformation of historical study into the New Historicism, and the transformation of world literature into global studies and transnational literatures. The third, however, is more nebulous and hence more difficult to define. Because it doesn't involve the traffic between "outside" and "inside" the discipline so much as how the discipline is already embedded in much larger ensembles of social relations. In this case the point of visibility for economics in some sense usually arrives at roughly the same time as the point of irritability. There's a lot of irritability, for example, at how talk of "the job market" seems increasingly to dominate decision making about graduate programs; at how faculty hiring and merit raise determinations turn on "marketability"; at how national competitive standing influences everything from internal university budgets to recruiting graduate students. But all those irritabilities, of course, also mark the visible presence of economic languages in the discipline. I argue that they mark as well a crucial shift in the economic relations of how work is organized in the discipline.

Many things went into the transformation of historical study as it would have been practiced through the 1960s and even beyond into the New Historicism that seems still so pervasive in the discipline. Arguably Michel Foucault, however, was the single most important theoretical influence on the emergence of a self-consciously styled New Historicism. A now "older" historicism had focused on the privileged literary text and its context as historical background. In contrast, literary scholars like Stephen Greenblatt, Louis Montrose, Jerome McGann, Catherine Gallagher, and a whole host of others drew on Foucault's concept of discourse and his emphasis on discursive regularities as justification for their attention to a wide body of texts – literary and otherwise – without initially setting up categories and hierarchical structures of relative importance. They challenged familiar narratives of historical continuity and of historical cause and effect by way of recourse to Foucault's concept of genealogy. Most obviously, instead of aiming ultimately at

aesthetic values that transcended historical context, they used Foucault's complex analysis of power to reinvest whole areas of study with completely different configurations of understanding.

Foucault is hardly known for having foregrounded economics in his own work (yet, see Amariglio's essay on Foucault's interpretation of the history of economic thought in terms of changing discourses of the body), however, and it may seem odd to point to Foucault as a major influence at the same time as I am trying to insist on the importance of economics to the transformation. Yet curiously enough, under the sign of Foucault, these US scholars do reference economics often, and open whole new areas of understanding by way of thinking in economic terms. Rather than an odd kind of misreading, I think that tells us something about Foucault first of all, about the extent to which he could take certain forms of economic understanding almost for granted. Correlatively of course, it tells us something about literary study in English in the United States, namely that economics of almost any sort hadn't exactly been "in the true," as Foucault might say, of disciplinary discourses in English. It's not that New Historicist scholars reinvent an economic determinism. Nevertheless, economic formations do have a kind of authority as both ground and figure for the cultural practices that are the immediate focus of attention. The way in which early printed books were paid for and circulated, for example, becomes less an odd bit of historical background and much more a constituent part of the very formal qualities of the text.

Foucault is hardly the sole influence on New Historicism, and in any case, as the initial edge of a new movement becomes increasingly a part of normal disciplinary practice, it becomes more and more difficult to isolate a direct Foucauldian heritage. If paradoxically, he's perhaps most present in and through what's absent in the foreground of his own analyses, namely again economics. It's important to remember at this point, however, that the "economics" that comes into New Historicism via this Foucauldian unconscious would be hardly recognizable as such to Economics as a university discipline, usually somewhere well across campus from English. There are ways in which disciplines like Anthropology and Sociology have had a more direct impact on English. That is, some part of what currently goes on in these disciplines influences some scholars in English. That's almost never true of Economics. The economics that appears in New Historicist work seems constructed as an assemblage from many, many parts scattered through the complicated histories of economic discourse, often the discourse that existed during the particular period of study. The whole assemblage is given coherence if at all only through the conceptual directions offered by something as comprehensive as Foucault's analysis of power. But very little of current work in Economics as a discipline finds its way into New Historicism, even the current work that itself seems at a great distance from the dominant discourses of the discipline.

The same could not be said of global studies. While it would be rare to find scholars working closing with econometric modeling, for example, it is the case that economist public intellectuals like Robert Reich or Robert Samuelson are relatively familiar names because of their economic claims, not only as public intellectuals. The influences on the emergence of global studies and the eclipse of the older field

of world literature, however, are considerably more varied than the influences that developed into New Historicism, and one result is that economics plays very differently in the field. Feminist studies had a hugely important role, particularly in the many challenges to the authority of a restricted canon of literature. World literature had lived on such a canon, in all its white, male, and very eurocentric figuration of important texts. Global studies would have been impossible in the discipline of English without the massive rethinking of the very idea of a canon and what it represented politically.

In many ways ethnic studies and postcolonial theory have been equally important. Ethnic studies, across a wide spectrum of work, not only challenged canon authority in ways that greatly extended the work done by feminists. Ethnic studies also forced a kind of *global* thinking that revealed just what a constricted sphere the “world” of world literature had actually been. Postcolonial theory specifically engaged many of these same issues, and in addition brought to bear a powerful complex of theory including Foucault and other poststructuralists. And perhaps more directly than the elements I’ve mentioned, postcolonial theory built an opening directly into the importance of economics for global studies. By referencing specific national histories from colonized to independent status and the overwhelming importance of economic power in that passage, postcolonial theory situated global studies in socioeconomic conditions. Not just for the purpose of challenging the transcendent aestheticism that for the most part governed world literature by any means, but as part of a general project of political understanding.

Certainly the results look very different. Studies of international copyright laws, the popularity in Europe of African novelists, the English language as a commodity in formerly Communist countries of Eastern Europe, or the economics of Bollywood were not things that featured hugely in world literature studies. But such studies themselves belong to a larger project rather than being pursued in isolation. Economics is crucial to that larger project. It’s necessary to have some grasp of development theory, for example, and the practices it authorized, before engaging very seriously with the *circulation* of literary texts from Latin America. It’s hard to understand border literatures in a global studies sense at least without recognizing profound shifts in the composition of the labor market for service industries as well as outsourced production.

Economic narratives are important also, in particular the narrative of transition – as it is variously described – from industrial to postindustrial, from machine to information, from nationalism to transnationalism, from capitalization to financialization, or from modern states to Empire. In whatever complex of ways these narratives are told clearly they bear very heavily on the “global” of global studies. Economics of course is prominently positioned, but *as a structuring narrative*, not as a determining social structure or as some all embracing Market. Clearly that marks a certain distance from much that currently goes on in the discipline of Economics. At the same time, however, it does make possible at least a kind of crossover understanding. The importance of economic narratives helps position the work of public intellectual economists like Reich or Samuelson as readily available to use. The crossover effect means scholars doing global studies

need some real familiarity with the formulation and administration of economic policies that shaped a postcolonial experience. And perhaps most importantly, that crossover has generated a real openness to the work of alternative economic discourses, those directions that exist outside the mainstream of academic economics as a discipline.

I've just sketched very quickly some of the ways in which economics in one form or another has entered transformatively into internal developments in English. There is a lot more that could be said of, course, and I've left out any number of things completely. As I noted at the beginning, however, the third area I want to talk about is considerably more nebulous and so requires a little more by way of explanation. The points of simultaneous visibility/irritability in English to "money matters" that I instanced at the beginning, for example, are curious to say the least. If I were teaching in construction welding or mining engineering or biochemistry, frequent discussions of "the job market" would not seem an irritating thing to do. Nor is it likely I would have to plead pragmatics or ethical responsibilities to students in order to proceed with discussions. Despite how things are slowly changing, and despite how economics as multiple theories/practices/discourses finds its way more and more into scholarship in English, it remains the case that the relation of English to money is really odd.

One of the most deeply embedded truisms of English as a university discipline is that you'll never get rich in English. (And a lot of the visceral antagonism directed over the years at Stanley Fish, for example, emerged from his insistence, backed by years of hard effort for the cause, that high level English professors should get paid a lot.) The truism, of course, tells you a lot historically about how English as a discipline recruited into the profession, and whom it recruited in the process. "You'll never get rich in English" seems intuitively obvious only if you take for granted your right to fairly high level professional employment. Even as that recruiting pool began to change, however, many of the accompanying compensations for not getting rich continued to mind their force. Not many years back a number of leading scholars in English opined that the true test for really belonging in the discipline was to be able to say with passion that one really loved literature. Applicants for graduate school still routinely organize their personal statements around some version or another of the "ever-since-I-occupied-a-fetal-position-and-sucked-milk-I've-always-loved-reading-more-than-anything" narrative.

English is one of the longer running soaps on the theme of love vs. money, and like any text structured around that opposition it can be made to reveal a lot about class divisions and class antagonisms. But much of the current irritability in English isn't simply the long persistence of antagonism to money, to the market, and so on. It's more specifically oriented around jobs and labor issues. Beneath flash points like whether we can really let the job market drive the organization of a graduate curriculum there is a considerable range of conflicts around labor. As the "top" layers of faculty in university English departments have grown richer, the "bottom" layers have grown larger, poorer, much less securely employed, and have had to endure much more enforced "mobility." Not unlike the rest of the society

of course, but then English is not used to having to recognize itself in the mirror of the rest of society. At the same time it's become more and more difficult to lever budgets from hard-pressed administrations unless they see an immediate return. And often that immediate return doesn't involve the upper reaches of literary scholarship but burgeoning programs in teaching composition. Comp teachers have always been at the bottom of the English prestige ladder, even though for decades comp instruction generated a huge percentage of student credit hours in most university departments. So not surprisingly, in circumstances where some administrative money and attention suddenly head their way, comp faculty often break from English altogether to form separate programs.

The particular issue I want to focus on is located within the midst of this complex ensemble of labor, workforce, budget and organizational shifts. The intensification of job insecurities, the proliferation of temp positions and the corresponding scarcity of good positions, and even at relatively higher levels the administrative insistence on "competitive" job offers to gain a raise, all translate into a much longer time spent in the process of searching for work. Several decades ago the Modern Language Association (MLA) established a central posting list for job openings in English, Comp. Lit. and the Languages, but over time that list has accreted layer upon layer of detail around it to define, broadly, search procedures in all kinds of ways for both applicants and employers. The list itself has gotten more complicated, complete with realms of statistical data about the previous year's employment picture. While a great many disciplinary papers are still presented at the annual MLA Convention at the end of December, increasingly those presentations are by job seekers, often grad students. Most of the audiences in attendance are either potential employers there to hear a candidate or competitors for a position in the same field, and more and more sessions are in fact devoted to educating candidates about the job search. A great many people don't go to any papers at all, but spend most of their time at the convention in closed hotel rooms interviewing candidates or being interviewed. Meanwhile, back at home, a great many department and personnel committee meetings (almost invariably the most contentious department meetings) both before and after the convention concern the definition of specific searches, the process of the search itself, and candidate evaluation.

Most importantly of all, by the second year into a degree program (if not before) a grad student will in effect begin a job search that can last anywhere from the next five to the next 20 years and beyond. During that span the search in one way or another will connect with nearly every aspect of the person's professional activity. Again, nothing I've described above is completely unique to English by any means, except perhaps the degree of formalized verbal exoskeleton layering the search process. My initial point is that a tendency that has now reached the point of saturating daily practices in even such a relatively remote and hostile atmosphere as university English departments has become a very general and powerful force indeed. My second point is the flip side, that its belated emergence in English, because of that belatedness, might nevertheless have something to tell us about how to measure field strength and direction across such a pervasive tendency.

Even professors in the humanities have learned to cope (if not happily, needless to say) with a language of students as consumer clients. To some remarkable extent “what is the client base?” has become a typical curriculum committee review question about proposals for new courses. Advisors routinely prepare guides for students as they shop for courses. “Higher” education and consumption are increasingly linked around the figure of the student. I want to describe briefly the tendency I introduced above as a dramatic extension of that familiar linkage into something like the conversion of job searching into the consumption of work. Workers like students become consumers. The result, crudely, is that rather than appearing in terms of growing labor hierarchy disparities, labor exploitation, enforced mobility, and management control, the process of job searching can be made to appear instead as invested with all the psychodramas of consumer culture. Ideologically the central structural building block of a capitalist wage labor system was the complex of practices around the idea of freely selling the labor power one owned. As work becomes consumption, ideologically that building block shifts from freely selling labor power to choice. Consumers are always free to choose.

I think left politics in the US will have some trouble dealing with the tendency toward work as consumption, because typically left politics has been invested in the idea that proliferating choices and the power of choice is a good thing, restricting choices a bad thing carried out by the Right. In miniature, English as a university discipline has already been fighting this one out for some time. Those of us in English who see ourselves as progressive educators have also understood one of our primary tasks as the proliferation of choices and the empowerment of students to engage those choices in their own behalf. But, of course, not as consumers going shopping – which explains a lot about the amazing amount of critique written by English professors trying to prove one way or another that “consumer choices” aren’t *really* choices, just a trick of some kind. It’s much more difficult to take on the possibility that there may well now be something exploitative and reactionary about choice itself. But to the extent that ideologically work is represented as consumption that possibility becomes necessary to explore.

I’m most encouraged, however, by the openness to and the use of alternative economic theories in areas like global studies and postcolonial theory. That’s an important avenue of access for a couple of different reasons. First, as I’ve suggested above, an understanding of economics has proven crucial to the scholarship in these fields. Conversely, I’d like to think that the work here will intersect productively with the work of a growing number of scholars in Economics and economics-related disciplines who have moved well beyond the dominant academic discourses that for so long have been so impervious to crucial issues of power, social control, exploitation and inequities of distribution. The second reason is that as economic structures shift and social relations alter it’s as important as ever to have the theoretical means to understand those changes and their import, and to use that understanding to direct practices whenever possible toward a liberating politics for everyone. I think that requires developing multiple forms of alternative

economic intelligence, from rarified theory to street knowledge. The disciplinary intersections that global studies and postcolonial theory help to build also afford real opportunities to explore these alternative economics.

At the same time, it's crucial for those of us in English to think carefully about what's going on at home, as it were, in the midst of university English departments. Theoretical sophistication about texts elsewhere has to be matched by equally complex ways to understand changes happening right in front of us. Graduate students worrying the job market down the hall aren't an entirely different matter from the representations of structural adjustment policies in contemporary African novels. Professional economists may dismiss the everyday economics of people on the street as "ersatz," ill-informed at best and full of mythy contradictions at worst. But even if all that were true we'd still have to learn from, and we'd have to understand a lot about those ersatz knowledges used by people on the street. After all the "the street" also runs right through English.

Inevitably, so do structural changes in university organization and financing. The "academic capitalism" that critics like Sheila Slaughter and Gary Rhoades talk about seems mainly to involve the sciences. The growth of entrepreneurship and the shift away from more traditional disciplines to institutes, consortiums and the like enable research clusters of scientists with many different specialties and locations to be organized on the particular occasion toward the end of a (usually very saleable) result. But as I alluded to earlier, things have changed in the humanities as well, only typically we trade in people rather than in products or research processes. The visible circulation of texts, with citation statistics appended, tends to obscure the often quite astonishingly small numbers of readers. University press runs continue to diminish and even when "cited" somewhere there's no real guarantee of much by way of readership for a particular text. At the same time, however, at the upper levels of prestigious research universities publications and citations support an accelerated trade in the high profile faculty whose "profiles" depend on those publications. And faculty in postcolonial studies and global studies certainly circuit as well. As competition at the top intensifies, departments at prestigious universities can continue to distinguish themselves by entering the market in visible faculty who bring with them the prestige of publications and citations, as well as the promise of strong graduate student recruiting.

In the meantime, while less prestigious colleges and universities may try to compete – it's almost impossible not to play in this age of intensified competition – more often than not financing is considerably more precarious. When something has to go, the enormous expense of the prestige-game-for-people looks a likely cut. Universities at the top can in effect bill their undergraduate population to support graduate programs and faculty research. Out of necessity, however, more and more schools are more and more deeply invested in working with the heterogeneous population that makes up undergraduate education, no matter how much everyone tries to profile themselves as belonging to a research elite. As any number of people have argued, one of the results for English is a steep decline in tenure and tenure-track positions, and a corresponding increase of temporary, part-time, and short-contract faculty with primary responsibilities for teaching the mass of

undergraduates. Perhaps a less well noticed trend, however, is the movement of humanities-trained faculty into administration. With the exception of relatively high-level tenured faculty at research universities, administrative positions almost inevitably offer much more money and an attractive combination of mobility and security largely unavailable otherwise.

Administration is then the final form of market relation I would mention, and a particularly curious one in the context of continual criticism from scholars in the humanities about the growing “corporatization” of the university. In some sense this may be true enough, but in *Academic Capitalism and the New Economy: Markets, State, and Higher Education* Slaughter and Rhoades note at least one significantly different trend at work: “In contrast to the pattern in industry, where the numbers of middle managers have declined, colleges and universities have greatly expanded middle management.” The result, of course, is that “expenditures for administration go up, while expenditures for teaching go down” (332), creating one more incentive for faculty moves from teaching into administration. While corporations were often ruthlessly eliminating middle-management positions throughout the 1990s and into the new millennium, university organizational structure would appear to have changed in almost the opposite direction, adding management often in dramatic numbers. Even the NEA’s own study (available online at [www.nea.org](http://www.nea.org)) indicates the remarkable increase.

Perhaps it’s not entirely an exaggeration to say that from the humanities side of the campus at least the business of the university begins to resemble more and more the business of management. *What exactly must be managed, for what?* I try to take up these issues in my forthcoming *Class Degrees*. Like economic street languages, however, the economics of management in this new sense seems at least as important to understand as the details of new interpretations of literary texts. It’s hardly that continued work in postcolonial and global studies is unimportant. The question is where and how its significance can be realized. Because, given the continually dwindling cultural capital of textual scholarship, the future of undergraduate education identifies the territory where English must continue to reinvent itself. However that can be managed.

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# 6 Economic sociology

## Reflections, refractions, and other re-visions

*Denise D. Bielby*

### Introduction

In 1998, the Wharton School of Business and the Department of Sociology at the University of Pennsylvania initiated a series of sponsored conferences to integrate sociological approaches to the study of economic phenomena. In their call for a “new” economic sociology, the organizers of the conference series emphasized the need for an institutionally informed and culturally rich analysis and understanding of economic life that drew upon the legacy of contributions to early sociological thought. That work, by Marx, Weber, Durkheim, and Simmel, which analyzed production, distribution, and consumption of goods and services, engaged as a central concern the relationship between the economy and the larger society. Fundamental to the insights of these early social theorists, the Penn conference organizers observed, were the analytical frames of domination and power, structure and agency, solidarity and inequality, and ideology and culture that persist to this day as core concerns of the discipline of sociology (Guillen, Collins, England, and Marshall, 2002). “The classics thus planted the seeds for the systematic study of social classes, gender, race, complex organizations, work and occupations, economic development, and culture as part of a unified sociological approach to economic life” (p. 1).

The goal of bringing sociological insight into economic life is not without its challenges. While economists and economic sociologists seek understanding of the economic activity of markets and firms, of small groups (such as households) and of individuals, they differ in their explanations. Consider, for example, the association between gender and career outcomes. It is well documented that men are more likely than women to participate in the labor force, and men average more hours of paid labor per week and more weeks of employment per year. Women and men tend to hold different occupations and to work in different industries, firms and jobs. Furthermore, men outearn women, hold more complex jobs, and are more likely to supervise workers of the other sex and to dominate the top positions in their organization. Economists and sociologists agree that gender is linked to employment outcomes, but they differ in explaining the associations.

As Reskin and Bielby (2005, p. 1) observe about the neoclassical approach to these differences:

Economists have sought explanations in the characteristics and preferences of *individual workers* or *employers* ... [and have looked to] sex differences in training and experience, career commitment, or competing demands on time and energy as other reasons. Others focus on employers' preferences for workers of one sex or the other (*taste discrimination*) or on employers' beliefs that workers of one sex or the other are more costly or less profitable to employ (*statistical discrimination*).

Sociologists, on the other hand, view sex segregation of men's and women's careers as a causal mechanism that gives rise to other career outcomes, notably the earnings gap. Central to sociologists' explanations of the sex difference in career outcomes are the concepts of *social differentiation* and *social stratification*, that is, the social location of individuals within social structure, which is consequential to life outcomes. In terms of differences in career outcomes, the occupational segregation of women and men exposes them to different employment practices and reward systems that can amplify or diminish sex differences in other work outcomes.

In this chapter, I consider three social institutions of importance to sociology in which the representation of economic phenomena makes a central contribution: the family, the workplace, and the media. The family comprises the economic activity of households; it is also where the feeding and caring of individuals traditionally takes place. Household labor and marital decision-making are fundamentally organized by gender, and explanations for it are analyzed and understood differently by economists and sociologists. The workplace is the location for the productivity of the firm, but the labor force attachment of employees entails work effort and job commitment. Neoclassical economists attribute the earnings gap between men and women to gender differences in the allocation of effort and of commitment to work and family roles, but to what extent do those differences actually exist, and under what circumstances on the job and in the family? The media include the mass culture industries of television and film, and as businesses they seek production efficiency and profit-maximization. However, production takes place under short-term contracting in a context of considerable ambiguity, risk, and uncertainty, and its products, each unique, are made up of artistic and other creative elements. How does culture *per se* affect the organization of production in this industry and the trade of its products, especially, in the increasingly important global marketplace? In the sections that follow, sociological representations of economic phenomena are elaborated, and the ways in which these representations operate are discussed. The conclusion addresses what is at stake in using these representations.

## The family

Families are the sites of the production and consumption of household labor, but they are also "the places of sexuality, eating, sleeping, and of the thick and close

forms of relatedness imaged by biological ('blood') ties of kinship" (Thorne, 1992, p. 10). In any domestic relationship, an unequal division of labor in household and paid work shapes the relative power each partner has to pursue her or his interests within the family. Social exchange theory (Emerson, 1976), applied to couples' decision-making (Blood and Wolfe, 1960) and marital conflict (Scanzoni, 1970), reveals how financial resources provide leverage in bargaining between spouses; the partner with the greater earning capacity is consistently better able to pursue his or her self-interest (Blumstein and Schwartz, 1983; Duncan and Duncan, 1978).

Exchange theory is gender neutral in its treatment of power in domestic relationships.<sup>1</sup> Gender differences in the distribution of resources and in alternative opportunities are exogenous; whichever partner happens to have greater resources and better alternatives brings more power to the relationship. However, research motivated by feminist sociological concerns shows how gender ideology and gendered institutions shape exchange within domestic relationships (Pyke, 1996). England has suggested that women are more likely to invest in relationship-specific skills, placing them at a disadvantage relative to partners whose skills and resources are unaffected by the dissolution of an intimate relationship (England and Kilbourne, 1990). England also emphasizes the effects of a cultural ideology that devalues traditionally female work and encourages women to pursue altruistically joint familial interests rather than personal self-interest, what Heimer (1996) refers to more appropriately as a normatively prescribed obligation rather than altruism.

Sociological research on gender, power, and marital relations has also shown that gender ideology introduces asymmetry in husbands' and wives' decision-making in the family. In research that tested the neoclassical economic model of family migration decisions among dual-earner couples (Mincer, 1978), Bielby and Bielby (1992) show that gender ideology introduces asymmetry in husbands' and wives' decisions about relocating for a better job. The neoclassical model is also gender neutral: both husbands and wives should be unwilling to relocate if doing so disrupts a spouse's career and fails to improve the economic well-being of the family. Accordingly, the model predicts that, all else constant, one's willingness to move for a better job will be negatively related to the spouse's current income. In fact, contrary to the predictions of the neoclassical model, willingness to relocate for a better job was highly contingent on both gender and gender-role beliefs. Women behaved as predicted by the model: the higher their husband's earnings, the less willing they were to relocate for a better job for themselves. In contrast,

1 Social exchange theory was developed in the late 1950s and early 1960s by Peter Blau, Richard Emerson, George Homans, and John Thibaut and Harold Kelly to provide a theory of power that is present in all social relations, even intimate ones, and does not involve intent to harm, coerce, or even influence. As such, it differs from traditional conceptions of power as coercive, and it is consistent with the principles of supply and demand that govern economic exchange. Emerson's exchange conception of power included two central ideas: dependency is the source of one actor's power over another, and power is an attribute of a relation, not an actor (see Molm, 1997).

traditional males – those who believed in the primacy of a husband’s role as provider and who disapproved of employed mothers – were not influenced at all by their wives’ earnings. Instead, they gave primacy to their own careers or overall family well-being. However, not all placed their own career interests ahead of those of other family members. Men who rejected traditional gender-role ideology were deterred from relocating if their spouses were in well-paid jobs, although even these men were less sensitive to disruption of their spouses’ careers than were employed wives under comparable circumstances. These findings suggest the extent to which household decision-making is negotiated around symbols of masculinity and femininity (see Brines, 1994; Goffman, 1977) and is contingent on the degree to which spouses hold themselves accountable to cultural definitions of gender (see also Blumstein and Schwartz, 1983; Bolak, 1997; Pyke and Coltrane, 1996; Thompson, 1991).

## **The workplace**

Longstanding sociological interest in work commitment (e.g. Selznick, 1949, Salancik, 1977) invites questions relevant to economic sociology: “Who works hard for the money and are there differences by gender?” and “Is part of the earnings gap between men and women attributable to gender differences in the allocation of effort to work and family roles?” Becker’s (1985) elaboration of human capital approaches to earnings inequality proposed a formal model of the allocation of effort that explains gender differences in labor market outcomes solely on the basis of the utility-maximizing choices of job seekers. In the standard human capital model, women who are burdened by family responsibilities and anticipate intermittent employment seek jobs that are compatible with the demands of family life. Such jobs rely more on general training than on firm-specific training, and they involve lower wage penalties for leaving and reentering the paid labor force than do the jobs most likely to appeal to individuals who anticipate continuous labor force participation (Polachek, 1981; Tam, 1997). According to this model, a substantial portion of the gender gap in earnings is attributable to the fact that women have fewer years of labor market experience and acquire different kinds of human capital (more general, less specific) than do men.

The earnings of men and women, Becker argued, are expected to differ even when they have the same amount and type of investments in human capital. That is, women with family responsibilities allocate less effort to their jobs outside the home than do men with comparable skills and labor market experience. Therefore, hour for hour, men are more productive than are women (who have greater household responsibilities), and men receive more pay and better career opportunities as a result. Moreover, gender segregation results because “married women seek occupations and jobs that are less effort intensive and otherwise more compatible with their home responsibilities” (Becker, 1985, S52).

The findings of two studies – one on the wage penalties for time spent on housework (Hersch and Stratton, 1997) and the other for motherhood (Budig and England, 2001) – are consistent with Becker’s reasoning. Both of these analyses

pose the allocation of effort and discrimination (not against women as a class but against those who somehow signal a greater commitment to household work) as alternative explanations for the wage penalties, and neither study is able to differentiate definitively between the two. However, the notion that women's productivity suffers from family demands is at odds with several lines of empirical research. In a study that used self-reports of effort expended on the job from the 1973 and 1977 Quality of Employment Surveys, Bielby and Bielby (1988) showed that on average employed women allocate just as much if not more effort to work than do men. In fact, their results showed that compared to men with similar household responsibilities, human capital, and work contexts, women allocate substantially more effort to outside employment. They found that to the extent that women do allocate effort away from the workplace in order to meet family demands, those trade-offs bring their work effort back to the level of the typical male with no such family responsibilities. Overall, however, the impact of household and family arrangements on work effort was small, a finding that was replicated with data from the 1991 National Organizations Study (Bielby, Bielby, Huffman, and Velasco, 1995).

In the mid-1980s, economists began writing about the concept of "efficiency wages" – above-market wages that elicit greater effort and commitment from employees. Labor economists who apply this model to gender differences in earnings assume that women have a higher propensity to leave a firm than do men and, therefore, anticipate a lower return for a given wage over the course of their tenure with the employer. In Becker's model, women earn less because they do not work as hard as men. Other versions of efficiency wage models (e.g., Robinson and Wunnava, 1991) suggest that men work hard because they have been bought off with a wage premium, whereas women work hard because they are closely supervised. The efficiency wage model implies that job segregation mediates the relationship among gender, work effort, and earnings, and if it is based on employers' beliefs about gender differences in monitoring costs or turnover rates, it is also fully consistent with statistical discrimination as an underlying mechanism. Evaluating the explanatory power of efficiency wage theory to account for gender differences in labor market outcomes requires consideration of research on worker discipline, the notion of a gift exchange between employer and employee, and stereotypes about gender differences in work commitment and other-regarding behavior, and further, to scholarship designed to test more directly the relationship between work context and work effort. Although some labor market economists recognize the concept of gift exchange (Akerlof, 1982), albeit in a characteristically "stylized" form (under norms of reciprocity the recipient of a gift from an employer in the form an above-market wage is obliged to return the favor in the form of high work effort norms) analysis of the implicit contract and of the trust it generates does not attempt to undertake exploration of the circumstances under which social ties between economic actors become infused with distinctive meanings and obligations, particularly those shaped by gender, as called for by sociologists (see Zelizer, 2002).

## The media

### > Hollywood

Hollywood prides itself on its ability to find and reward the most talented creative workers, but when it comes to writers, young, white men write about three-quarters of the scripts for feature films and television series. Beginning in the mid-1980s, the Writers Guild of America, West, the union that represents television and film writers, commissioned a series of monographs to determine the basis for the widespread perception among its members of sex, race, and age discrimination in employment and earnings in the entertainment industry (Bielby and Bielby, 1987, 1989, 1993, 1998). In seeking to understand the institutional structures and business practices that shape the distinctive patterns of writers' careers, this research considered how gender plays a key role in the relative valuation of womens' contribution in the television industry (Bielby and Bielby, 1992), while analysis of the film industry examined the ways in which women lost positions of central importance to the creation and production of films between the founding of the industry and the rise of the studio system, and the marginal position they hold as writers in the contemporary era (Bielby and Bielby, 1996). The study of older writers identified how professional experience can become a liability rather than an asset in creative industries, and documented the precipitous decline in the value of reputation and experience of older writers, illustrating how the relentless pursuit of a younger audience demographic has pushed older, experienced writers out of the employment picture altogether (Bielby and Bielby, 1993; 2001). Analysis of typecasting of writers of color indicated that they are channeled into minority-themed genres that are vulnerable to the inevitable cycles in genre popularity (Bielby and Bielby, 2002).

Cumulatively, this work showed that the distinctive features of work in Hollywood – entailing a high level of risk and uncertainty, an emphasis on reputation, demographically based marketing, and a product that embodies cultural idioms about age, gender, and race – builds an especially insidious form of discrimination into everyday business practice. Decisions about employment and work assignments are made in a corporate context where accountability for equal employment opportunity is absent, and the tendency to rely on imitation, hunches, rules-of-thumb, and typecasting allows stereotypes to influence those decisions. As in other areas of the corporate world, when managers have unfettered discretion concerning personal judgments about who best “fits” the job, more often than not, the person deemed most suitable matches the gender, race, and age of those already doing the job. Who you know can determine access to positions of influence in organizations.

In a fuller analysis of the ways in which project-based labor markets like Hollywood's contribute systematically to the disparities across socio-demographic groups of writers, a focus on the consequences of brokering among talent agencies demonstrated how they create labor market segmentation (Bielby and Bielby, 1999). Elite or “core” agencies are those that transcend their role as market brokers between the suppliers and purchasers of writing services by participating

actively in the production process. Writers who are represented by such agencies are substantially more likely to find employment, and they earn considerably more than equally accomplished writers with non-core representation. Shifting focus to the institutional arrangements that underlie the organizational structure of Hollywood, other research documented the ways in which network executives, who must balance competing commercial (e.g., investors, advertisers) and creative (e.g., critics, writer-producers) constituencies in the television industry, rely upon symbolic markers of legitimacy, including the reputation of writer-producers, to create the impression that decision-making about programming is rational and minimizes risk and uncertainty (Bielby and Bielby, 1994). Further research on Hollywood addressed the thesis that concentration of ownership among media companies reduces diversity in media content in the context of the FCC's phasing out of ownership restrictions in network television in the 1990s (Bielby and Bielby, 2003). That work revealed that the impact of deregulation reduced the number of organizational settings in which those who create television series are employed, and increased corporate control over the circumstances under which they practice their craft.

### **> Global markets**

The culture industries of television and film have a global reach and research that has analyzed the culture world of exported television reveals how its economic vitality is organized through embedded social networks and aesthetic valuation of its commodities (Bielby and Harrington, 2002). Sustained by the syndication market where primetime programming recoups its exorbitant production costs through sales to individual stations around the country, programming produced for non-primetime blocs and, increasingly, with productions created specifically for the global market, this "blue collar" neighbor of the elite primetime market has been in existence since television's earliest days. Westerns aired in Japan in the early 1950s, and US daytime dramas and their Latin American counterpart, telenovelas, compete for space in the expanding number of networks globally. According to industry analysts, the international market's vitality is due to the hypercompetitiveness of US series, although profits come less from license fees (revenue from the sales of a series to air on a network elsewhere in the world) than from the asset value of the distribution network and the preservation of a future market for subsequent productions. The dominance of US products in the global market underlies the worldwide debate about the often-presumed cultural hegemony of exported American programming.

Although profit-orientation is paramount to this industry, and its financial success is unmistakable, its market can be characterized as chaotic, unruly, and unpredictable, at best. Sociological analysis of this market demonstrates how the business practices of this industry must adapt to the inevitable ever-shifting complications introduced by import quotas, regulations imposed on content, and the "cultural discount" effected by local audiences who, given the choice of programming of equal technical quality, prefer domestic over foreign series (Bielby and Harrington, 2002). To mainstream economists, a television series is

merely “an asset consisting of a bundle of broadcast rights” (Owen and Wildman, 1992, p. 181). However, analysis of the business of selling exported television reveals that television’s aesthetic properties must be carefully managed to achieve a sale, the series themselves transformed in order to cross borders, and that the cultural embeddedness of social networks comprising this culture world is pivotal to transactions (Bielby and Harrington, 2002, 2004). In short, examining the international industry of television sociologically as a culture world enables us to go beyond strictly business considerations such as risk, transaction costs, and profit, and instead focus upon the forms of cooperation and patterns of collective activity that create television as a cultural product and render it available and accessible to audiences worldwide. Although those in the business are motivated by profit, a central feature of this culture world is the ways collaboration among individuals with disparate understandings about the cultural product shape its production, distribution, and reception globally (Bielby and Harrington, 2008).

### **Conclusion: what’s at stake?**

In this chapter, I have intentionally covered a lot of ground – from the household to international markets – in order to demonstrate just how central economic representations are to enduring lines of inquiry in sociology, including inequality and stratification, among other fundamental social processes and conditions. It was not my intention to draw lines in the sand between the disciplines, but rather to demonstrate the deep interconnections among them. Sociological analysis of social systems at all levels of complexity presumes they are highly dynamic, and the economy of the household and of the international marketplace are determinative and consequential to the social institutions and social processes that command the attention of my colleagues.

So, what’s at stake in the ways in which the economy is represented in the realms of sociological inquiry I’ve described? In the family, power, gender-role ideology, and symbols of masculinity and femininity are fundamental to decision-making about improving economic well-being of the family. As a unit of production and consumption the family is also a site of gender production, and the symbols and enactments that entails (Brines, 1994). In the workplace, analysis of women’s greater allocation of effort on the job indicates that the wage gap between men and women is not consistent with economic arguments that women’s productivity is lower than men’s due to family demands. Gender stratification of the labor force is not solely due to sex differences in labor market experience and different kinds of human capital, but also to consequential attributions made about women’s investments in household responsibilities. Of equal relevance to the theme of this book are the ways in which the organization of production within and across firms fundamentally shapes the labor market outcomes and career trajectories of individuals. Contrary to assumptions about human capital and job experience, labor market segmentation is affected by firms’ actions alongside distinctive features of work, as revealed by analysis of the project-based culture industry of Hollywood. When coupled with a high levels of risk and uncertainty, an emphasis on reputation, demographically based marketing, a product that embodies cultural

idioms, and a corporate world where managers are not held accountable for the stereotypes they rely upon for evaluating talent, employment and the organizations that structure labor markets are segmented in ways that are consequential to career outcomes. In short, careers that are shaped by stereotypes and typecasting are even more profoundly affected by the strategic actions taken by firms within their own network of relational ties. Finally, ongoing research on the culture world of the global syndication market for television reveals the importance of shared cultural understandings of the norms that guide economic transactions, of trust and the embeddedness of social relations to exchange relations, of the relevance of cultural properties of products to consumption, and to the ways in which each of these contribute to the formulation of the global economy.

There is little doubt of just how potentially fruitful the pursuit of a “new” economic sociology can be for the field of sociology. That agenda entails consideration of how culture (including gender), social networks and social capital, trust, and effort and motivation – among other considerations – contribute to the understanding of economic phenomena. As economic sociologist Paul DiMaggio has observed, scholars are “accustomed to the view ... that economic relations influence ideas, worldviews, and symbols. That the reverse is true, that aspects of culture shape economic institutions and affairs, is less well understood” (1994, p. 27). One would hope that the nuance sociology has brought to the study of economic phenomena would be reciprocally valued. The challenge for the reductionism of dominant economic paradigms, such as neoclassical theory, is to engage the equally important findings of sociology (and of other fields for that matter, such as social psychology) on the determinative consequences of systems of differentiation and stratification, and of social structure on a variety of life outcomes. One would also hope that the findings of economic sociologists, in particular, would have an impact on the questions asked by economists, the analytical approaches they rely upon, and the conclusions they draw. Indeed there appear to be developments on that front, as indicated by the recent publication of a series of lectures on gender inequality presented at Cornell University by leading economists and sociologists in the field (Blau, Brinton, and Grusky, 2006). This collection offers fresh insight into the composition, history, and persistence of gender inequality over the past half-century. While the volume’s primary focus is to provide an up-to-date assessment of the status of the gender pay gap, its other central aim is to evaluate whether the elimination of inequality can be anticipated in the foreseeable future. In the meantime, economic sociologists have a rich agenda to explore that may eventually reset the priorities of this vital field.

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# 7 Economic representations in archaeology

## Cultural evolution, gender, and craft production

*Christina T. Halperin*

Understanding ancient societies requires examination of the past through multiple lenses. One of these lenses is the study of macro-scale social and economic processes. Such processes are often tied to cultural evolutionary theory that centers on increasing social complexity spurred by advances in technical innovation and economic efficiency, demographic and environmental adaptations, and political maneuvering of leaders. As Brumfiel (1992) and Tringham (1996) point out, these theoretical orientations are macro-scale approaches to social change because they are concerned with whole cultures, polities, or populations as the basic unit of study. When differences within these social units are examined, analysis tends to be class-based. Recent studies in household and community archaeology, gender, ethnicity, race and agency have underscored a shift towards more micro-scale approaches. Micro-scale approaches, which are not mutually exclusive of larger economic and social trends, emphasize the individual actors and sectors of society that influence, participate in, and are affected by such economic processes. These forms of representation reveal the internal contradictions and negotiations within a social system.

In this chapter I examine archaeological representations of craft production through the macro-scale lens of cultural evolution and the micro-scale lens of gender. Craft production – the making, creating, and forming of non-food goods through human labor – is simultaneously a social and economic act. In turn, archaeologists studying craft production evoke both neoclassical economic theories of efficiency and rational thought as well as social theories highlighting dialectical materialism and historical contingency, political altruism, political self-aggrandizement, and superstructural influences of religion and ritual. These emphases are present to varying degrees in both cultural evolutionary theories and studies of gender. The contrast between the two perspectives is useful in demonstrating the complexity of ancient economies that were created and affected by various social actors who were part of larger social groups rather than by autonomous individuals, on the one hand, or by unified, whole cultures on the other.

## **Macro-scale processes of craft production: cultural evolution**

Macro-scale models of craft production are intimately tied to cultural evolutionary frameworks that emphasize stages of human “progress.” Cultural evolutionary models have roots in late eighteenth- and nineteenth-century liberal social theory. Writers such as Adam Smith, Herbert Spencer, Emile Durkheim, and Lewis Henry Morgan formulated their work during – and were influenced by – the emergence and expansion of Western industrial capitalism. It is not coincidental that the principles of capitalist accumulation and some forms of cultural evolutionary theory hold increasing economic specialization and technological innovation as central components in the development of human societies (Patterson 1999, 2005). As such, archaeologists studying craft production have often focused on two principal issues: when do societies specialize their production, and why?<sup>1</sup>

The work of V. Gordon Childe was seminal in archaeological inquiries of craft specialization. Influenced by both liberal social theory and Marxism, he incorporated several strands of cultural evolutionary theory into his research (Orser and Patterson 2003; Trigger 1980). Like Spencer, who envisioned the development of society as a series of changes from simple to increasingly complex structures (Spencer 1896 [1877]), and Durkheim, who saw an increasing division of labor (i.e., economic specialization) as the primary and inevitable basis for societal development (Durkheim 1964 [1893]), Childe also characterized human history as a progression of stages from simple to complex. For him, increasing complexity allowed greater control over the environment and, thus, human survival (Childe 1951; Trigger 1989, 256–57).

Childe saw developments in craft specialization as marking two critical stages in human societal evolution (Childe 1950, 1951, 1951 [1936], 1954). The first stage is the transition from food gathering to food producing, referred to as the Neolithic Revolution. The adoption of agriculture, a food-producing economy, enabled surplus production whereby social units produced beyond what they needed to meet basic subsistence needs. He viewed surplus production as significant because it allowed populations to grow and some individuals to engage in non-food-producing activities, namely trade and craft production, albeit part-time. It was not until the formation of “civilization” or state societies, however, that craft specialists became engaged in their crafts full-time. This second revolution, which he called the Urban Revolution, represented an advance in food-producing techniques in which populations could increase and congregate in a given area, thus forming urban life. Although Childe referred to these stages as revolutions because their impact was as consequential as the Industrial Revolution, he believed them to be slow-forming processes. Nevertheless, archaeologists, following Childe’s direction, began to link craft specialization with the emergence of social

1 I follow Clark and Parry’s (1990) definition of craft specialization, production in which goods are transferred from the producer to a non-dependent. My use of the term craft production encompasses both production for use and exchange, thus applying to craft specialization, but not exclusive to it.

and political complexity (Arnold and Munns 1994; Brumfiel and Earle 1987; Clark and Perry 1990; Costin 1991; Peregrine 1991; Underhill 2002; Vaillant 1945; Wailes 1996).

Beyond observing a correlation between specialization and social complexity, Childe and other archaeologists sought to explain why and in what order this correlation occurred. In his early writings, Childe, like Morgan (1985 [1877]), saw technological innovations as intimately linked to human progress (Trigger 1989). He was particularly interested in the development of metallurgy. He believed that this invention provided a more efficient means of production, signified an achievement in scientific knowledge, and required organized interregional trade and full-time specialized labor (Childe 1947, 1957). Inventions such as these and their diffusion to other societies were spring-boards for further social developments.

In his later works, however, Childe moved away from simple, linear, cause-and-effect explanations and incorporated a broader view of social change (Trigger 1989, 256–257). Having read Marx and Engels and visited archaeologists in the Soviet Union, Childe viewed the means of production as embedded within and influenced by social, political and historical contexts (Orser and Patterson 2003; Trigger 1980). Following the principles of dialectical materialism, Childe saw social change as rooted in the contradictions between nature and humans and between the forces and relations of production (Patterson 2003, 43–44, 52). He recognized, for example, an inherent contradiction in the productive relations and development of specialized labor in early civilizations (Childe 1951 [1936], 172–175). In these societies, those who possessed the wealth, the ruling class, had little incentive to invest in improving the techniques of production. Instead, their social reproduction depended on their ability to extract and monopolize surpluses from the producing population. Craftsmen and other direct producers did not have the means to invest in labor-saving innovations. They were also illiterate, which impeded them from recording and transmitting their knowledge through writing. In this sense, the concentration of wealth by the ruling class impeded economic expansion and technological improvements by the mass of the population (Trigger 1980; 1989, 257–258). Thus, in addition to adaptive responses to the environment via technological innovations, his conception of social development took into consideration political factors and internal contradictions of an economic system.

Further explanations for the emergence of craft specialization are synthesized by Brumfiel and Earle (1987) into three basic models: the commercial development model (stemming from the work of Adam Smith and Friedrich Engels), the adaptationist model (stemming from the work of Spencer, Durkheim and later Julian Steward), and the political model (stemming from the work of Marx, Engels, and later Childe). All models stress movements from simple to increasingly complex social and economic features of society.

The commercial development model posits that increases in specialization and exchange are an inevitable outcome of economic growth, and economic actors find it in their best interest to increase productive efficiency. One of the main features of this model is that intensification of crafts and subsistence goods occurs with little

or no help from political leaders (Brumfiel and Earle 1987, 1). Such production is epitomized by what archaeologists call “independent production,” in which the degree to which producers are willing to specialize their production is guided by the principals of efficiency, security, and economic demand (Brumfiel and Early 1987, 5; Costin 1991, 12). While economic growth may stem from population increases, environmental heterogeneity, and resource scarcities, the responses to these problems are similar because economic participants are assumed to follow similar rational choices. A number of scholars have proposed that, when land shortage occurs, people will buffer decreased agricultural yields or the inability to access lands by specializing in tasks unrelated to land use, such as textile, pottery and stone tool production (Arnold 1985; Ford 1991; Wattenmaker 1998, 52, cf. Clark and Parry 1990). Individuals may also specialize their craft activities to cope with time shortages that result from increased investments in subsistence production (Schortman and Urban 2004, 197). Such decisions to specialize follow formal neoclassical economic models in that rational actors will ultimately seek to maximize their profit and minimize their costs (Plattner 1989, 7–10).

Efficiency arguments, however, may ignore historical specificity and the internal logic of cultural systems. As mentioned earlier, Childe (1954) argued that technological and scientific innovations to increase efficiency were not a central characteristic of pre-capitalist state societies because contradictions in the social relations of production may impede direct producers from making more efficient technological improvements. In addition, craftspeople may choose inefficient production methods when more efficient alternatives are readily available (Sassaman 2000, 159–60). These more inefficient methods may be preferred because a product’s decoration or style communicates important social messages that outweigh labor costs (Costin 2001, 289–90; Lemonnier 1992). In addition, some scholars have pointed not only to the ritual and sacred significance of many craft products but also to the ritual role of the productive process itself as influencing the way in which craft production systems are organized (Helms 1993; Hruby 2007; Inomata 2001).

Instead of the autonomous nature of economic growth seen in the first model, the second model, the adaptationist perspective, views the emergence of craft specialization as developing with the rise of political elites who oversee and manage the economy (Brumfiel and Earle 1987, 2–3). These leaders assert their managerial duties in order to “fix” demographic and environmental problems. They may, for example, facilitate the redistribution of craft goods from agriculturally poor areas, to zones where raw materials for such crafts are not available, thus providing a larger market and source of goods for craftspeople to intensify production. In this sense, economic agency (and subsequent economic and social rewards in the form of wealth and privileged political status) is in the hands of a few individuals.

The third model, the political model, views the emergence of craft specialization as a result of political leaders’ attempts to increase their power (Brumfiel and Earle 1987, 3–9). Thus, instead of being seen as motivated by political altruism, political leaders are actually seen as self-aggrandizing. One way political leaders

accrue power is by encouraging and controlling the specialized manufacture (and thus distribution) of wealth or prestige items. The control of these symbolically – and culturally – charged objects is significant because they legitimize leaders' privileged social positions and, thus, access to the goods and services of others. Leaders are able to situate themselves within the production process by sponsoring or commissioning craftspeople or through their direct participation in the manufacturing process itself (Clark and Perry 1990; Costin 1991, 2001; Inomata 2001).

Archaeologists have found, however, that a straightforward connection between the emergence of craft specialization and political centralization processes as advocated by the second and third models is not always substantiated (Wailles 1996). For example, archaeological research in the Southern Gulf Coast of Mexico has shown that craft specialization did not appear to increase during the Middle Formative period when social hierarchies emerged and political maneuvering was apparent in the construction of mounded architecture (Arnold III 1996, 207). Similarly, Trubitt's (2000) household research at Cahokia in the American Bottom region of the Mississippi River Valley provides evidence for increased involvement in specialized prestige goods production by high-status households during the Morehead phase, a period in time usually interpreted as the beginning of Cahokia's political decline as a chiefdom. Although social status distinctions, as measured by house sizes, were accentuated during this phase, population had decreased and monumental construction of mounds, plazas, and woodhenges had begun to cease, suggesting that political leaders were unable to garner tribute to the same degree they had in the previous Stirling phase (*ibid*, 682).

Spielmann (2002) also notes that specialized production can occur in the absence of political hierarchies. She refers to a form of community-based manufacture of social valuables conducted in small-scale societies. Although production at the household level is not substantial, production at the village level can produce large-scale surpluses (Spielmann 2002, 198, 201–202). As these examples illustrate, attention to household- and community-level analyses help reveal the internal dynamics and social contexts of broader social and economic processes. Gender, in turn, provides a different but complementary analytical social category to that of households and communities for understanding ancient craft production systems.

### **Micro-scale processes of craft production: gender**

A gendered approach to archaeological studies of craft production is informative because it stresses a relatively more detailed analysis of how social and political structures change and the effects of those changes on different sectors of the population. Archaeological interest in gender issues, however, was slow to emerge and lagged over 20 years behind the second-wave feminist movement in the late 1960s as well as a number of years behind the growth of Marxist- and feminist-orientated research in academia during the 1970s. Interestingly, critical awareness and incorporation of gender in the field of economics also emerged

rather late, around the 1980s and 1990s (for reviews see Ferber and Nelson 1993; Humphries 1995; Kuiper and Sap 1995). Feminist economists advocated paying closer attention to women as previous research had either disregarded women's concerns and constraints within economic processes or had regarded them in stereotypical, "traditional" ways (e.g., all women are or will get married, women are dependent on male relatives, women are irrational as economic agents). In addition, these economists used feminist perspectives to propose new methodologies and challenge economic models, such as rational choice theory (Blank 1993, 134-140; Levin 1995). Similarly, gendered research in archaeology has focused both on "looking for" gender in the archaeological record as well as on critiquing and refining theoretical approaches, such as static hierarchical models of gender (Conkey and Gero 1997; Conkey and Spector 1984; Gilchrist 1999; Sweely 1999; Wright 1996a).

In terms of "looking for" gender, Cathy Costin (1996, 115-16) argues that identifying gender with productive tasks and roles in archaeology is crucial because it: (1) demonstrates that "gender exists as a relevant social category structuring or mediating roles and relationships"; (2) challenges, using explicit methodological frameworks, the perpetuation of implicit gender stereotypes (e.g., only males make stone tools); and (3) provides the basis for the development and evaluation of gender theory. Feminist anthropologists and economists have also suggested that households as the smallest units of economic analysis are inadequate because household members do not all possess the same economic preferences nor are the productive obligations and resources distributed evenly amongst them (England 1993; Hart 1992; Moore 1992). In order to uncover a gendered division of labor in the past, archaeologists have drawn on historical and ethnohistorical texts, figurative representations, mortuary analysis, and ethnographic analogy, the last three of which can be applied to early prehistoric societies (Costin 1996; Nelson 1997).

Most scholars recognize, however, that gender attribution in craft production is anything but straightforward. One problem is that attributing specific productive tasks or values to one gender or another may promote essentialism and mask the variability of gendered roles and identities that occurs through time and space (Conkey and Gero 1991; Pyburn 1999). Ashmore (2002, 232) suggests that "it remains appropriate nonetheless to recognize cultural statements of ideals and to recognize them as precisely that – idealizations expressed by the people we are interested in understanding." When archaeologists are able to document disparities between cultural ideals and actual practice, they reveal creative ways in which men and women resisted and negotiated their identities and productive obligations (Joyce 2000).

In addition, ethnographic research demonstrates that the gendered division of labor is complex, making simple gender distinctions difficult. Assumptions that males were solely or primarily responsible for the production of stone tools are contradicted by ethnographic (as well as historical, sociological, and experimental) data on female lithic production (Gero 1991; Neff 2002). Cross-cultural data also indicate that a gendered division of labor occurs by specific tasks within

a more generalized production process. For example, Wright (1991) finds that although studies of contemporary pottery production often associate the “potter” with the individual who forms the clay, a number of tasks (e.g., the acquisition of clay, tempers, and minerals, the processing of clay, decorating the finished vessels, collecting firewood and loading kilns, and watching over the actual firing of vessels) that are essential to the production of pottery are conducted by more than one sex. She (1991, 199) contends that, “although there clearly are societies in which women do not produce pottery, in many, because of reporting procedures and the ideology of separate spheres, they are ‘invisible’ producers.”

Beyond examining the gender roles associated with craft production in the past, when this is at all possible, how does an examination of a gendered division of labor articulate with cultural evolutionary processes relating to craft production or with the political economy more generally? Some attempts to make this connection (Brumfiel 1991, 1994; Costin 1996; Hastorf 1991; Joyce 1993, 1996; Wright 1996b) link the deterioration of women’s status to changing productive roles during state formation processes. As states form, political leaders appropriate the productive labor of men and women. The control over women and their labor, however, is especially important because they are both producers (laborers) and reproducers (mothers in the social and biological sense) of society (Gailey 1987). This notion stemmed from the work of Engels (1972 [1884]) who believed that the subordination of women was not present in all modes of production, but linked specifically with the emergence of private property and institutionalized social stratification. As Leacock (1972; 1986) found, Engels’s work has important implications for the study of craft production because it suggests that changes in women’s power can be assessed in terms of changes in the access to and control over production.

Elizabeth Brumfiel’s (1991) research in the Valley of Mexico adopts this Marxist-feminist approach to her classic study of Aztec weaving and cooking, productive tasks associated with women in the ethnohistorical record. She finds that women intensified these productive activities, perhaps to meet state tribute and labor demands, as the Aztec state became more centralized. Aztec women, however, were not a homogenous mass that experienced and reacted to the same conditions. Her analysis of ratios of spindle whorls to rim sherds indicates that, while spinning intensified outside of the Valley of Mexico (where the Aztec capital was located) with the development of the Aztec state, spinning became less important at valley sites with high levels of agricultural productivity. She suggests that this inverse relationship indicated, contrary to the static and idealistic portrayals of women as textile producers in the ethnohistoric literature, that women living in agriculturally rich areas near urban centers began to intensify their food processing and market-oriented labor while women living outside the valley increased their spinning activities for textile production. She also documents a decrease in cooking pots (used for preparation of labor-saving wet foods) to griddles (used for preparation of labor-intensive dry foods) during Late Aztec times. She interprets the shift in cooking technology as a sign of increased

labor for women. Although the new method of cooking was relatively less efficient, it enabled the preparation of dry foods that could be taken and eaten away from the home, such as by men who worked on state labor drafts (*ibid.*, 239–43).

In a similar study, Rita Wright (1996b) investigates the effects of craft specialization and state centralization on Mesopotamian women's labor during the Ur III period. She finds that political institutions regulated women weavers more than male craftsmen and laborers. Unlike male craftsmen, women weavers worked more hours, were compensated less, and were unable to engage in family life as many appear to have been unmarried. State control of weavers' labor and the distribution of their products was a particular concern for state officials because textiles served as an essential means to maintain the system: they were used in ritual displays, as badges of office, as currency in trade, and as compensation or payment to other state employees. Not all women, however, worked as weavers for the state. Many of the weavers were lower-class women, "semi-free" women who were "rendered entirely subservient," and women slaves with ethnically distinct identities (Wright 1996b, 101). The labor conditions of these women contrast with those of high-ranking women who had complementary roles to their husbands in the ceremonial and administrative duties of the palace and other state institutions. Although Wright, unlike Brumfiel, does not focus on changes in women's productive labor through time, she reveals both the utility of examining the social meaning of craft products in relation to the organization of production and the distinction in the value of women's labor based on class and ethnicity.

Not all research on gender and craft production, however, evokes Marxist-feminist models of social complexity. Barbara Mills (2000), for example, considers both economic efficiency arguments as well as social opportunities and constraints in her study of gender and household craft production in the prehistoric American Southwest. She proposes three possible "pathways" in the evolution of craft specialization that lead to either a gendered (segregated) or ungendered (complementary or shared) division of labor. Although the development of each pathway assumes craft specialization intensifies through time, the type and value of the product, scheduling demands, and political contexts of consumption help determine which path will be taken.

The first pathway is a change from gendered to ungendered craft specialization at the scale of the household. In this situation, the intensification of household craft production requires a shift from production by a single household member to the pooling of labor by multiple members of the household as in the case of pre-Classic Hohokam shell ornaments and of cotton textiles in Canyon de Chelly. The second pathway consists of an increasing emphasis on gendered craft production within the household as a result of production intensification. "Role specificity in these cases was likely caused by the process of aggregation and the need for task groups to be involved in subsistence activities" (Mills 1997, 307). The third pathway is characterized by an intensification of craft production that results in a change from household to extra-household scale production, such as Pueblo male

textile production post A.D. 1000. Like the second pathway, production becomes more gendered. These different pathways reveal that increasing segregation of male and female labor is often but not inevitably linked to the intensification of craft production.

## **Conclusion**

In archaeology, macro- and micro-scale forms of economic representations differ in focus but are not mutually exclusive. Cultural evolutionary theory as a macro-scale approach emphasizes the way in which societies specialize their production as they evolve and become more socially and politically complex. While this focus is helpful in examining long-term temporal periods and changes of whole cultures, it largely assumes that societies will increase specialized production and rarely considers decreases or stagnation in economic specialization and the social contexts surrounding such phenomena. Gendered approaches in archaeology, in contrast, highlight how different individuals as parts of households, ethnic groups, and social classes create and are affected by larger structural changes. As such, the attention towards gender has shed light on women's roles in production and changes in the gendered division of labor through time. It has also pointed to the more nuanced ways in which the benefits of economic specialization accrue in the hands of some sectors of society to the disadvantage of others. Less archaeological research, however, has been conducted to reveal the social and political agency of these social groups (i.e., women, but also lower-class peoples, ethnic minorities, etc.) and their contributions to economic changes.

These micro- and macro-scale economic representations cannot be isolated, of course, from the academic and social discourses in which they are created. Models of the past derive from and legitimize contemporary understandings of society. Foundational social theorists, such as Smith, Spencer, Durkheim, and Morgan, drew from their own social histories of Western capitalist accumulation and industrial expansion to emphasize notions of prehistoric social change as inevitably linked to forms of increasing economic specialization, such as improvements in technology and an increasing division of labor. In turn, contemporary examples of increasing specialization in the global economy (e.g., outsourcing) may appear as a "natural" progression of economic processes from prehistory to the present. Similarly, the shift towards gender in archaeology was shaped by the growth of feminist, postmodern, and Marxist influences occurring both inside and outside academia in the 1960s and 1970s. These movements have helped provide a much broader picture of the way we see prehistory. A more inclusive perspective of ancient societies has implications for contemporary social groups who often evoke the past as a source of empowerment and legitimacy.

While the models we use to interpret the past are inevitably shaped by our own social and historical surroundings, archaeological data can, at the same time, be used to test these frameworks and contemporary Western biases. Archaeologists

have drawn on contemporary neoclassical models that stress rational actors who inherently maximize their productive outputs and minimize their labor costs and efforts. They have suggested that prehistoric peoples specialized their tasks by gender, improved their technology, and intensified production as a response to increases in the population, resource scarcity, or economic demands by political elites. At the same time, archaeological data also challenge whether productive efficiency was the primary or sole aspect of the decision-making process and reveal that economic actions cannot be understood apart from their respective historical, cultural, and social contexts. For example, Brumfiel's research shows that Aztec women began using more inefficient (in terms of labor time) forms of cooking technologies in order to provide transportable food, in part, for men on their labor drafts to the Aztec state. Similarly, Childe outlined some of the historical and social contingencies that impeded early state societies from economic growth. He argued that craftspeople in many Old World societies did not have the means to improve productive technologies and techniques because political elites monopolized investment capital and some forms of information exchange, such as writing.

Archaeological research has also questioned some of the basic premises of cultural evolutionary theory. Recent evidence of specialized production by small-scale societies or the absence of significant increases in specialized production by societies whose social and political structure were increasing in complexity indicate that a direct or universal correlation between economic and social complexity cannot be substantiated (Brumfiel and Earle 1987, 4; Spielmann 2002; Trubitt 2000; Wailes 1996). While previous conceptions of the gendered division of labor often assumed increasing segmentation of gender roles with economic specialization, Mills's (2000) investigations in the prehistoric American Southwest have suggested that this process is not necessarily the only means of specialization. A recent project to investigate gender in ancient civilizations has also presented cross-cultural archaeological data to challenge the Marxist-feminist cultural evolutionary model that suggests women become subordinated as part and parcel of state formation (Pyburn 2004). These examples imply that while archaeological data are at least partly independent of our own historical biases and influences (see also Brumfiel 1996), the questions we ask may not be. So, if the goal is to produce broader and more informed representations of the past, we must continue to look through multiple lenses and encourage diversity among those participating in the production of such representations.

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# 8 Archaeological representations of the economy

*Thomas C. Patterson*

Representations of the economy by archaeologists have widespread currency because of the popularity and frequency of stories about ancient civilizations and societies in the media. Their representations also figure prominently in K-12 courses that deal with ancient societies – such as Egypt, Greece, or Rome – as well as in the introductory chapters of college-level Western civilization or world history texts (Segal 1997). The influence of their accounts derives partly from the association of archaeologists with the idea of civilization and partly from their use of the concept. Civilization, as you know, is an idea rich in powerful, evocative imagery (Patterson 1997). Archaeologists, the media and textbooks tell us, not only find lost civilizations but also study their origins and development around the globe. Archaeologists tell us that they reconstruct the past and bring ancient societies and cultures back to life (Patterson 1993). This means that they have some understanding of what constitutes an economy as well as some insight into the economies of the ancient societies they study. Their representations of economy are complex. They are based partly on concepts and perspectives of economy and society shared with other practitioners of the historical and social sciences and partly on the interplay of these conceptual frameworks with empirical evidence.

Societal evolution – the idea that society normally progresses over time through a succession of stages, each with distinctive economic or sociopolitical forms – is perhaps the core concept that many archaeologists share with colleagues in other disciplines (Meek 1976; Trigger 1998). The idea came of age in the mid-eighteenth century in the works of French and Scottish social theorists – e.g., Anne-Robert-Jacques Turgot or Adam Smith – and was elaborated a century later by Herbert Spencer, Lewis Henry Morgan, and others (Burrow 1966; Meek 1962; Sanderson 1990, 2007). Hence, it arose in the same context that facilitated the development of liberalism and classical political economy. In fact, Smith, the Physiocrats, and other advocates for agrarian capitalism were among the earliest and most influential social theorists to deploy evolutionist arguments. As a result, evolutionism, political economy, and liberalism share a number of conceptual elements that are given varying emphases in different theoretical formulations – utility, property, scarcity, the centrality of commerce or exchange as the primary building block of community, the means for creating a division of labor and increasing

productivity, and the means for obtaining wealth and power, economic rationality and greedy individuals competing for scarce resources (Goldmann 1968/1973, 15–24; Gudeman 2001, 82; McNally 1988; McPherson 1962; Meek 1962; Wood 1984, 51, 1994).

The framework of human history deployed by the early evolutionists as well as the language of their rhetorical arguments about development influenced writers, like Rousseau and Stuart, who did not share their worldview or political allegiances. This discourse came into being at a time when the national-state societies of Western Europe were still largely rural, but precapitalist forms of property relations were either dissolving or had already disappeared; as a result, earlier community-level property relations and production were either being replaced or had already been replaced by ones that operated at the level of households or domestic units. While they assumed that agriculture was the most productive sector of the economy, they also argued that merchants extended commerce, intensified competition between artisans, and ultimately underwrote the appearance of new forms of craft specialization. This transformation, they argued, occurred in towns and created a chasm separating the city dwellers from their kin and neighbors in the countryside.

Archaeologists have debated evolutionist frameworks of human history for the last century and a half. At some moments, it was wildly popular; at other moments, its existence was more muted as its utility was contested or denied. There was a resurgence of interest in sociocultural evolution among archaeologists in the wake of the Second World War; this renaissance refracted the period of sustained economic growth experienced in the United States from the end of the war through the early 1970s. Names frequently associated with the rekindling of social evolutionary thought during this period were Australian archaeologist V. Gordon Childe and anthropologists Julian Steward and Leslie White. A host of archaeologists built on their works (Patterson 2003).

What I propose to examine in this paper is the work of archaeologist Timothy Earle. Earle with some of his colleagues and former students – notably Elizabeth Brumfiel, Cathy Costin, Christine Hastorf, Terence D’Altroy, and Elizabeth DeMarrais – has produced some of the discipline’s more thoughtful analyses and representations of the economy in recent years. He has written extensively about chiefdoms – which he sees as regional polities with institutionalized governance, some degree of social stratification, populations ranging from a few thousand to tens of thousands of people, and potentially different, historically contingent developmental trajectories (e.g., Earle 1997, 66). Since the late 1970s, Earle has systematically grounded his discussions of the economy in terms of an evolutionary perspective that he describes as being built “rather eclectically” on (1) the “evolutionary” accounts that Marx and Engels (Marx and Engels 1845–6/1976; Marx 1844/1964, 1857–8/1964, 1863–7/1977) and Morgan (1877/1963) proposed to account for changes in political economies; (2) Polanyi’s (1957) “The Economy as Instituted Process,” its precursors in the cultural relativism of Boasian anthropology and British structural-functionalism, and Sahlin’s (1972) subsequent development of the concept of the domestic mode

of production; (3) Steward's (1949/1955, 1950/1955, 1951/1955) notions of the culture core as adaptation to particular environmental conditions and of levels of sociocultural integration; and (4) Friedman and Rowlands's (1977) structural Marxist model of civilizational evolution that emphasizes the interrelations of initial conditions and different developmental trajectories, on the one hand, and the importance of the superstructure in relation to the economic base narrowly defined, on the other. One of my goals in this chapter is to clarify Earle's understanding and use of the writings of Marx and Engels, which hinges partly on what he means by the term "evolutionary account."

## **Earle's economy: an interpretation**

Earle's map reflects a core set of ideas that have cohered in his work since the late 1970s. These include commitments to the following: (1) evolutionary accounts of the development of human society in general as well as of particular societies with the motor of development located in the interaction of population growth and technological change; (2) a base-superstructure model of society; (3) mediation of the metabolism between society and nature by the forces and relations of production at different stages of technological development; (4) the embeddedness of the economy in webs of social relations – initially domestic (family-level or local) and ultimately political-economic; and (5) domination or determination as historically contingent and largely superstructural – that is, there is no determination by the economy in the last instance. Let us consider in more detail how Earle conceptualizes these currents and how he sees them intersecting to form a coherent whole. It is important to keep in mind that he has honed and refined his theoretical perspective over time, and, consequently.

These beliefs and commitments underpin his representation of traditional economies – that is, those minimally affected by merchant capital and by integration into an economic system dominated by industrial capitalist social relations. He writes that:

Economies are open systems of production, distribution, and consumption of material things and social services. Economies involve resources extracted and goods manufactured, commodities and labor moved, and goods and services consumed in everyday life and in exceptional situations. From family meals to community religious ceremonies to imperial wars and affairs of state, economies provision and support human action. Economies vary greatly. (Earle 2002, 8)

Traditional economies contain two interrelated sectors: the subsistence economy and the political economy (Johnson and Earle 2000). The subsistence economy involves the ways that households maintain themselves through everyday activities .... In traditional economies, each household can produce much of what it wants, and this household self-sufficiency is the Domestic

Mode of Production (Sahlins 1972). Households do, however, exchange for some goods because of local resource deficiencies and local uncertainties at any time of need. (Earle 2002, 9)

The political economy, in contrast, involves the ways that surpluses are mobilized and allocated to support political activities, lifestyles, and operations of social institutions and their leaders. The political economy is inherently competitive; since more is better (more resources = more power), the political economy is inherently growth-oriented. Many are involved in ruling relationships, and the institutions of complex societies depend on finance to maintain their operations (Earle and D’Altroy 1982). The mobilization of a surplus requires a productive economy and its practical control. That control derives from command over quite specific activities involving production, distribution, and even consumption. (Earle 2002, 9)

By practical control, political economies are built on subsistence economies, and together they organize all production, distribution and consumption. The three factors of production are land, labor, and capital. (Earle 2002, 9)

Earle proceeds to raise a series of questions about the first factor of production – land – which he discusses variously in terms of tenure, ownership, and property relations. He makes historical-developmental Boserup’s (1965) largely spatial distinction between extensive and intensive land use and ties these to ownership. In family-level and local or tribal societies manifesting the communal mode of production, he argues that the use of land and resources is relatively open and non-exclusive; however:

as land use becomes intensified, land ownership is more easily asserted and becomes vested progressively in fewer hands. Ownership of resources creates relationships of power, allows control over the economy, and this partly determines the nature of stratification in society. (Earle 2002, 9)

This statement needs to be unpacked. First, Earle is not arguing that property rights are vested solely in land or resources; earlier, he had pointed out that, in many instances, the rights to exclusive use are also vested, for example, in productive technology and moveable objects (Earle 2000, 44). Second, while he seems to give primacy to power relationships emerging in the economic base, he is not implying that property ownership is the only means of power, which he defines as the “capacity to control and manage the labor and activities of a group to gain access to the benefits of social action” (DeMarrais, Castillo, and Earle 1996, 15). Elsewhere, he and his associates adopt Mann’s (1986) argument that power originates in the interaction of economic, ideological, political, and military relationships (Earle 1997, 1–16, 67–75, 143–192). The relative importance of one or another source of power varies from one society to another according to the

different trajectories along which they are developing (e.g., Earle 1997, 208–11, 2002, 17; DeMarrais, Castillo, and Earle 1996). Third, because of his commitment to an evolutionary perspective, he argues that the different developmental stages of society-family-level, local group (tribes and bigman), and regional polity (chiefdoms and archaic states) – exhibit different forms of property. Fourth, what does occur as a consequence of societal (sociocultural) evolution is a consequence of intensification – “the positive development between population growth and technological development” – and is marked by the development of increasingly exclusive or restricted property rights to things and their use (Johnson and Earle 2000, 29; Earle 2000, 40, 45).

“Labor (people working)” is Earle’s (2002, 10) second factor of production. In his view, it is the most significant factor of production in traditional economies. He writes that:

the simplest motivation for labor is immediate self-interest; people work to meet their own needs and desires. In traditional societies, the basic unit of labor organization is the household unit in which activities are divided by age and sex. Certain activities are male or female activities; old or young activities, but rarely is such a division of labor absolute; others help as asked or needed. For the DMP [domestic mode of production], the household is a microcosm of the broader society containing within it the basic categories of labor.

With the evolution of more complex institutions, the problem is always how to mobilize labor to perform activities required for the operation of these institutions. With the evolution of complex societies, tradition requires specific individuals to provide work for others (commoners work for chiefs to prepare for specific ceremonies). These labor contributions become formalized *corvée* obligations ....

Labor can be organized along a continuum from the generalized labor of the DMP (producing for household needs) to the highly specialized labor of markets (producing goods for exchange among specialists). The division of labor within a society is a fundamental description of its complexity. (Earle 2002, 10)

In my view, Earle’s definition and discussion of labor as a factor of production might profitably be elaborated in order to avoid the conflation of issues that need to be distinguished. First, labor involves the interaction between persons who toil purposively and with foresight to transform the raw materials provided by nature to produce use-values that satisfy culturally defined needs. Thus, the labor process involves not only the work itself, the objects on which this work is performed, and the instruments used but also the social relations that facilitate it. Second, while I agree with his characterization of the flexibility of labor organization in kin-communal (family-level or local) groups, it is necessary to distinguish age and gendered divisions of labor within local communities from those divisions of

labor that may occur in labor processes that involve the cooperation of a number of individuals, each of whom performs a particular task in the production of a use-value. It is also necessary to keep in mind that households are never entirely self-sufficient units of production and reproduction, even when they may be the units of appropriation (e.g., Leacock 1982a). Third, both should be distinguished from social divisions of labor, in which the members of one group in a community or polity appropriate the labor time and/or goods of group whose members are engaged in direct production. This means that an explicit discussion of exploitation and the historic specificity of various forms of surplus appropriation, including the specificity of the conditions underwriting the emergence of industrial capitalism, might diminish the potential for misunderstanding and ultimately strengthen his discussion of the role of labor as a factor of production.

Earle (2002, 10–11) conceptualizes capital, his third factor of production, as “technology and storable wealth.” Thus, capital is a thing. It potentially produces income (profit-making), and it can be accumulated. It was also, he suggests, a less important factor of production in traditional societies than it is in modern societies dominated by mercantile and industrial capitalist economies. In his view, many archaic states (early civilizations) “were financed not primarily through markets but by mobilizing and distributing needed products to specialist personnel,” and, further, “the development of markets in many states comes well after state formation and appears as part of a shift to wealth finance, using currency or other money-like commodities, which permit more central control and greater managerial flexibility” (Earle 1985, 391). Thus, the issues were the processes by which chiefdoms and archaic states appropriated goods from local communities and then redistributed them.

Earle and Terence D’Altroy related the development of states to the growth of two distinct systems of finance that channeled resources from local production to the state (Earle and D’Altroy 1982; D’Altroy and Earle 1985). The first, which they called staple finance, “involves payment in kind to the state of subsistence goods”; these tribute exactions are “a share of commoner produce, as a specified levy, or as produce from land worked by corvee labor” (D’Altroy and Earle 1985, 188). They are appropriated by archaic states and distributed to state bureaucrats “who use them to meet basic household needs” (Brumfiel and Earle 1987, 6). These goods are typically bulky, costly to move over great distances; in Earle’s view (1987), specialization in the production of staple goods does not play a significant role in the formation of states. Wealth finance, their second system of finance, played a significant role in state formation, and

involves the manufacture and procurement of special products (valuables, primitive money, and currency) that are used as a payment. These wealth items often have established values with respect to other goods of a similar nature but vary in their convertibility into staples. They may be amassed as direct payment from subservient populations, or they may be produced by craft specialists attached to local authorities. In the latter case, raw materials given as tribute are often used in the manufacture of these goods, and the craftsmen

may be provided as part of a labor obligation from local communities. Wealth held by the state is used to pay officials and other personnel who work for the state. The obvious advantage of such financial units is their storability and transportability, which allow a more centralized control of finance that is possible with bulky staples. (D'Altroy and Earle 1985, 188)

Thus, both tribute exaction (goods and labor) and subsequently market relations built on a natural economy that was focused on the production of foodstuffs and other goods which satisfied needs in the local community; this natural economy was rooted in the domestic mode of production. The political economy, which is linked with the rise and development of chiefdoms and states, is an emergent configuration of institutions and practices concerned with exchange writ large, that is, where the circulation of goods is not conceptually distinguished from tribute exactions and exploitation. It is also the developmental stage that witnessed the elaboration of craft specialization and the support of these artisans by the political and religious institutions of the state (Earle 1987, 75). This conceptualization of political-economic developments incorporates Julian Steward's notion of "levels of sociocultural integration," by which the latter meant that

In the growth continuum of any culture, there is a succession of organizational types which are not only increasingly complex but which represent new emergent forms .... In culture, simple forms, such as those represented by the family or band, do not wholly disappear when a more complex stage of development is reached, nor do they merely survive fossil-like .... They gradually become modified as specialized, dependent parts of new kinds of total configurations. (Steward 1951/1955, 51)

### **Earle's economy: a critique**

If my analysis of Earle's conceptualization of the economy is correct, then it is possible to draw a number of tentative conclusions about his formulation and to point to potential lacunae in the logic of his representations. First, modern state-based societies differ from their predecessors; their distinctive features involve the increased importance of capital in its merchant, moneylending (finance), and industrial forms. Second, the state is distinct from the economy; the economy is primary and the state is derivative. This implies that the economy is ultimately concerned with the wants and interests of family units and then of local communities. Chiefdoms and states emerge when wants cannot be satisfied within domestic and local units; in a sense, they stand above society and pursue interests and agendas concerning the allocation of values that are at least partly distinct and autonomous from those of their subjects. Third, the relationship between power and politics needs to be examined more closely. As Earle (1997, 208–11) and others have pointed out, power/domination does not necessarily involve politics except when the authoritative allocation of resources

potentially makes it a central feature of politics (Caporaso and Levine 1992, 179–80). This raises questions about social relations, agency, and the voluntary nature of exchange. It suggests instead that, in class-stratified, state-based societies, exchange is not necessarily voluntary and the rules of distribution are never equitable. Exchange, in these early civilizations, involves exploitative social relations that are reproduced over time. Fourth, in a parallel rather than lineal manner, why is there a tendency for technology to develop, for efficiency to increase with the passage of time? For example, Guy Bois (1989/1992), Robert Brenner (1986), and Rodney Hilton (1973) have, in different ways, attempted to specify social relations that, under certain historically specific conditions, might promote the development of technology.

Earle (1977, 1978, 167–96) is quite explicit in his criticisms of the evolutionary accounts of Robert Carneiro and Elman Service, which derive from Spencer's concerns with the interconnections of increasingly complexity (heterogeneity) and increasingly differentiated, coordinated, and integrated organizations resulting from the aggregation of individuals (Patterson 2003, 114). Spencer's evolutionism was teleological in that it involved a progression from the simple to the complex through differentiation (the building of structure) in general and individuation in the case of human society. In Spencer's view, the inherent instability and oppressive conditions of homogeneous societies underpinned their disruption as well as the social differentiation and the crystallization of the more heterogeneous structures that followed. Societal evolution was shaped by a number of factors: the environment, the physical traits and knowledge possessed by its members, population size and density, the degree of social differentiation, specialization of tasks, increased productivity, and increased modes of contact with other societies (Patterson 2003, 33–37). In a sense, Spencer focused on process and eschewed historical generalization.

Morgan, on one hand, and Marx and Engels, on the other, were concerned with historical development rather than a progression from one stage of development or mode of production to the next. For Morgan (1877/1963, 10–18, 470–72, 563), the sequence from savagery through barbarism to civilization could not have happened in any other way, although it was not necessary that it happened in the way it did, that it progress beyond a given stage of development, that it occur in a linear fashion because of the diffusion of ideas, or that all societies progressed through the same set or order of stages. While, at one level, history was made by the struggles of people who invented ideas and developed new forms of subsistence and institutions, at another level, there was no single mechanism that precipitated development from one stage to another. Furthermore, while at any given stage of development, the arts of subsistence and ideas about government, the family, and property were functionally interconnected, there was no hierarchy of dominance or determination in the last instance by the economic base as there was in Marx and Engels. In effect, Morgan argued that human history moved from democratic, kinship-based polities to territorial states (Hirst 1976, 32–41; Kuper 1985; Leacock 1979). This shift from the social to the political was necessary once field agriculture and animal husbandry were sufficiently developed to support cities

and private property (Morgan 1877/1963, 263–64; 1881/1965). Although their descriptive labels frequently differ, many archaeologists have followed Childe's (1936/1983, 1950/1972) characterization of this shift as involving two successive developments – the “neolithic” (food-producing) revolution and the “urban” revolution (the reorganization of production relations and the formation of states glossed as the rise of cities). In this perspective, agriculture facilitated the production of surpluses that were used to underwrite the activities of craft specialists who produced commodities for exchange and secured portions if not all of their subsistence needs in the market. The sociopolitical organization of the incipient food-producing communities is seen as becoming different from that of the hunting, fishing and foraging communities that preceded them. In a phrase, community-level production relations were replaced by ones that operated at the level of households or domestic units in a society that was simultaneously becoming internally stratified.

For Marx (1857–8/1964, 68–99, 1859/1970, 20–21), the progression of modes of production listed in the Preface to *A Contribution to the Critique of Political Economy* and in the *Grundrisse* was neither a chronological succession nor a statement about the “evolution” of one mode of production from another but, rather, a commentary on steps away from original kinship-based communities – that is, as steps in the historical development of different forms of individuation and private property and as alternative pathways away from primitive communism (Hobsbawm 1964, 36; Krader 1975; Lee 1992). These developments proceeded along pathways that led in different directions. Thus, not all historically specific societies formed in the same way or passed through the same succession of modes of production. Furthermore, Marx (1863–7/1977, 459) suggested that societies manifesting different modes of production might be differentially resistant to change; with particular reference to Asiatic societies, he wrote that “the structure of the fundamental economic elements of society remain untouched by the storms which blow up in the cloudy regime of politics.” Hence, for Marx, there was no teleological principle that necessarily drove social formations from one mode of production to the next, as some Second and Third International theorists suggested. One implication for archaeologists is that the same relations of production may underpin societies whose economies manifest different productive forces, that is, early food-producing societies may have the same sociopolitical organization as the hunting, fishing or foraging communities from which they developed (Childe 1944; Leacock 1972, 12–14).

There are two important distinctions between Morgan, on one hand, and Marx and Engels, on the other. One is that Morgan did not have a clear understanding of social class structures and exploitation – that is, with the ways in which goods and labor were appropriated by ruling classes and states – and with resistance to exploitation. In contrast, structural contradictions were a centerpiece of Marx and Engels's analyses of class-stratified societies. The second difference is that the latter argued continually for both functional interconnections between the economic base and superstructure and for a hierarchy

of determination (Kradler 1974). Thus, the two approaches to human history were not the same. The differences between them lead me to suggest that Earle's perspective builds on Morgan's concerns with the processes or the unfolding of inventions and ideas that underpin the historical development of human society. It is difficult to see structural contradictions in his interpretations of chiefdoms or precapitalist state-based societies.

Having said that, it is important to note that Earle's perspective acknowledges the existence of a dialogue not only between the ideas of Marx and Morgan but also as those ideas were developed by subsequent writers. However, because of the legacy of McCarthyism in the United States, such exchanges of ideas – with a few notable exceptions – were largely absent in the writings of US archaeologists from the late 1940s through the early 1970s. For the most part when there were Marxist analyses in archaeology, they were often dressed in the guise of cultural evolutionism, which was marginally more acceptable during that period (Leacock 1982b, 245–55). Earle, of course, is not the only archaeologist who has engaged in a conversation with Marx's ghost. While some have either avoided or suppressed the conversation altogether, others have also disagreed with what they heard, incorporated elements of his historical/dialectical framework and interpretations into their own, or even changed their minds as a result of the discussion.

### **Earle's economy: follow or abandon?**

The organizer of the conference posed the question: what are the advantages of following or abandoning Earle's approach? My answer is: it depends. If the audience consists of professional archaeologists, many of whom characterize their concerns as reconstructing the structures and practices of past societies and the processes by which they changed through time, up to and including the present, then his approach is more or less useful. On the plus side, for example, he does not assume the existence of rational economic man or some unchanging human nature that endows all men and women, everywhere and at every time, with an overwhelming urge to truck and barter or to optimize returns on their investments; he does not assume that the only meaningful distinction between societies is whether they are traditional or modern – an approach, in my experience, adopted by many economists and political scientists; he does not assume that all societies, ancient and modern, follow the same trajectories of historical development; he does not assume that markets and market exchange were relevant in past societies; he does not assume that archaeologists can even identify sets of institutions and practices which are purely economic (as some presume them to be in industrial capitalist societies) as opposed to being embedded in wider webs of social relations; and, even though he is a partisan with a standpoint, there have been times when he was at least willing to entertain the idea that the same body of archaeological evidence might sustain alternative interpretations based on different theoretical premises. On the down side, it is possible to disagree with his conceptual framework and to substitute another, let us say one rooted more clearly and less eclectically in one strand or another of Marxist thought or even in terms of

Marx's own thought. Such an approach would allow us, for example, to focus on transformations in the division of labor, class and state formation, exploitation and resistance, kin-civil conflict and structural contradictions, the dialectical processes of transitions, or the simultaneous dissolution of democratic kin communities and the constitution of civil and political society; in such an approach, the explanations would not be embedded in analytical categories associated with the particular socioeconomic and ideological context associated with the rise of agrarian capitalism which predetermine and limit interpretations of the past concepts which are so broadly conceived that they obscure essential features of the precapitalist societies studied by archaeologists.

My point here is that, whether one agrees or disagrees with Earle's concepts and approach, his approach does allow for some degree of texture and nuance. If, however, the audience consists of publishing firms specializing in high-volume texts, then my answer to the question is different. Introductory textbooks dealing with the archaeology of the entire sweep of human history, the development of agriculture, or the rise of civilization (the origin of states) are notoriously difficult to write. My personal experience with a textbook publisher has been that the editors want a final product that contains the same information as other books in the field; as one editor asked me many years ago: "How many lines did the authors of other textbooks in the field devote to this topic? Why haven't you done the same? And, why is your explanation different from theirs?" In other words, there is a push to homogenize and dramatically simplify explanations, even conceptually familiar evolutionary accounts like Earle's, not to mention explanations that are rooted in less familiar theoretical frameworks. As a result, the texture of his argument is diminished or disappears altogether as the publishers produce glossier products at increasingly more rapid turnover rates to gain a greater share of the market. Moreover, when social scientists write about human history in the beginning chapters of their introductory texts, they repeat and reproduce the same homogenized and simplified arguments to their students without challenging the conceptual framework, much less grappling with the archaeological evidence on which their narratives are based. Thus, highly diverse societies of the past are portrayed as fundamentally similar, and their historical development is either treated as a monolithic passage from tradition to modernity or it is separated from modernity by a dark age or by a not-quite-modern era of colonial rule that is construed as some essential precursor to modernity. Alternatively, they accept the basic premises and put a more or less sensationalistic spin on them – such as cannibalism, calamity, or collapse – again without really coming to grips with any light that the archaeological record might actually shed on their claims. Their goal is to make the unfamiliar familiar by using conceptual frameworks that were developed originally to explain the functioning of commercial and industrial societies during the last few centuries.

George Orwell describes the stakes in 1984: "He who controls the present controls the past; he who controls the past controls the future." If we uncritically accept hegemonic interpretations of human history or representations of ancient economies, then we run the danger of separating people from their history, on

one hand, and of obscuring paths of historical development that were not taken. In both instances, it becomes increasingly difficult to conceive of potential alternative courses of action in the present and for the future.

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**Part IV**

# **Development Economies**

# 9 Economic representations in an American region

## What's at stake in Appalachia?

*Dwight B. Billings*

### Representing Appalachia

Now as in the past, Appalachian economies have been the object of politically intense representational struggles. Economic representations, both “academic” and “everyday” (Ruccio and Amariglio 2003), have been central to symbolic constructions of the southern mountain region and its population, and they have been deployed to support diverse political and economic projects. I briefly sketch economic representations during the late nineteenth century, the Great Depression, the 1960s’ “War on Poverty,” and today.

I grew up in Appalachia and first became aware of the politics of representations when I was book review editor of my high school newspaper in Beckley, West Virginia. The first book I reviewed was Jack Weller’s *Yesterday’s People: Life in Contemporary Appalachia* (1965), an application of culture of poverty theory. The author was a Protestant “home missionary” who had grown weary of his unsuccessful efforts to uplift needy “mountaineers” in the rural communities around Beckley. He wrote at the same time when a war against poverty was being fought there. Local citizens – once poor themselves – were driving old, discarded army trucks around the coal camps and hollows to dispense health care and social services. The sides of their trucks boasted the hopeful slogan, “By the People, of the People, and for the People of Raleigh County.” Weller’s portrayal of traditionalism and fatalism, the stultifying effects of poverty and ignorance, contrasted with the hopeful scenes of community activism I saw taking place around me. His book troubled me then, and it still does.

Essentialist representations, like those of *Yesterday’s People*, have typically pictured the peoples of Appalachia as cultural others, out of step with mainstream economic life, while the region’s economies have been alternatively portrayed as empty economic spaces, waiting to be filled by capitalism, or as zones of economic dependency and exploitation, metaphors for all that is wrong with the American political economy. Robert Schenkkan’s epic play, *The Kentucky Cycle*, winner of the 1992 Pulitzer Prize for drama, recycled a tragic view of Appalachia, representing “poverty and environmental abuse” there, in the author’s words, as “not simply a failure of economics” but “a poverty of the spirit, a poverty of the soul” (quoted in Billings 1999, 8). A 12-page “study guide” to the play,

published by the Kennedy Center when it was performed in Washington, DC, noted that “eastern Kentucky never developed” until outside corporate forces brought “environmental devastation” to the mountains and “virtual economic enslavement to its people” who “lost control of their land to owners of timber and coal companies” and “watched helplessly as [...] it became scarred and gutted.” Consequently, “Poverty has threatened and diminished the lives of the greatest number of them” (quoted in Billings 1999, 11, 12). The play dramatized a dreary economic discourse that, we shall see, has proven quite durable.

“Appalachia” – as distinct from the southern portion of the Appalachian Mountains where diverse peoples live and work – is an imagined place, “a creature of the urban imagination” (Batteau 1990, 1). It was first represented as a coherent region and homogeneous culture in the last third of the nineteenth century amid the rapid growth of railroad building, timber extraction, and coal mining in the southern mountains (Shapiro 1978). Alongside mine operators, land agents, lawyers, and engineers, local color novelists, home missionaries, educators and social workers descended upon and narrated the region. As early as 1873, Appalachia was pictured as “a strange land and a peculiar people” (Harney 1873).

Despite the rapid industrialization of the countryside then taking place by mining and timbering (Lewis 2004), what most fascinated Appalachia’s diverse agents of economic and cultural intervention was the region’s imagined isolation and economic backwardness. Such presumed backwardness authenticated, by its exception, a hegemonic imaginary of American urban and industrial progress. A discursive figure untouched by progress, Appalachia functioned as a constitutive outside for signifiers of American economic success. As one writer of that era put it, Appalachia’s “belated condition” proved “useful as providing a fixed point which enables us to measure the progress of the moving world!” (Frost, 1899).

Although Appalachia was a “literary and political invention rather than a geographical discovery” (Batteau 1990, 1), its invention was not announced as such. Thus Bruce Barton (1913, 7–8, 29) told readers of *Colliers Weekly Magazine* that Berea College President William G. Frost’s late-nineteenth-century walking tour through West Virginia and Kentucky “ought some day be recorded with the other great voyages of discovery which have opened up uncharted continents and brought to light forgotten peoples.” Supposedly so isolated and unknown were the southern mountains that Frost – first to use the term “Appalachia” to name the people and culture he found there – is said to have “uncovered the lost tribes of America: those three million *pure-blooded Americans* who, since the days when their ancestors first lost themselves in the mountains, had been as completely covered and forgotten as if the earth had opened to swallow them” (italics added).

The representation of the peoples of Appalachia as “lost” until seen by the urban middle class corresponds to Edward Said’s contention that in imperialist narratives, “the outlying regions of the world [are seen as having] no life, history, or culture to speak of, no independence or integrity worth respecting without the West.” (Said, 1994, xxiii) The southern mountain region and its varied economies thus had no discursive existence until named and represented for a readership far beyond the Appalachians.

## The nineteenth century

From immediately after the Civil War to the Great Depression, Appalachia's "forgotten peoples" were conceptualized as members of a folk culture that was characterized in both positive and negative terms according to the need to legitimate diverse organizational agendas. "Discourses of uplift" were addressed to northern benefactors by mountain school builders, missionaries and social workers who portrayed Appalachia in positive terms in order to win funds for social improvement efforts. The reference to Appalachians as "pure blooded" – like Frost's description of them as a "saving remnant" – was deployed as a strategy to win financial support for educational work in the southern mountains from northern Protestants who felt threatened by the immigration of Catholics and Jews to the US. Also aimed at northern givers were the false claims that mountaineers had been solid unionists during the Civil War and that the region was free from the taint of slaveholding (Inscoc 2001). "Discourses of displacement," on the other hand, were articulated by developers and spokespersons for corporate interests to justify the expropriation of Appalachia's vast timber and mineral resources from a local population represented as unfit to possess them (Billings and Blee 1996).

In seeking support for Berea College's mission of uplift in the Kentucky mountains, Frost proclaimed mountain people "not so much a degraded population as a [worthy] population not yet graded up." They were, Frost (1899, 312) wrote, "our contemporary ancestors," a needy but virtuous population still clinging to the antiquated lifeways of the American Revolutionary era and the early frontier during the twentieth century in a place where time stood still. But sensationalistic press coverage of Appalachian "feuds," such as the Hatfields vs. the McCoys, called into question the romantic imagery of the discourse of uplift by portraying mountaineers as a people among whom "the lust for human blood has become a malignant disease" in "a region of the United States in which Bloodshed is a pastime" (Davis and Smyth 1903, 162). More than schools, it was "the civilizing railroad" (*New York Times* 1899) that would bring an influx of new people and ideas to "help ... these marooned people" who "have had to await long the relief which could come only from the outside, to break their isolation and unlock the stores of wealth which lie latent among them" (Johnson 1899, 553, 552). Thus, according to the discourse of displacement, Appalachian "regeneration would [come] only through the introduction of outside influences, of people who will dominate not only intellectually but numerically" (Davis and Smyth 1903, 172). "Living today as their forefathers lived before them a hundred years ago," the people of the region were "sure to live here, if uninvaded and unaroused, in the same condition for a hundred or more years to come; utterly lacking the spirit of development from within" (Allen 1899, 66).

Finally, in a variation on the displacement discourse, images of an abject Appalachian economy were used to justify child labor in the cotton mills of the South to which many mountain families had gone seeking work. Defenders of child labor such as Thomas Dawley wrote of "hungry, half-clad children hovering over a scanty fire" in Appalachia as snow blew "between the unchinked logs of their cabins," and he described "removal" from the mountains as "The Remedy for the

Evils That Isolation and Poverty Have Brought.” Employment in the mills would rectify “generations of idle habits and lack of thrift” while training children from “these uninhabitable regions” to “become excellent workmen and good citizens” (quoted in Shapiro 1978, 177, 179).

In either discourse, Appalachia was represented as a “retarded frontier” (Vincent 1898), supported by a backwoods economy whose “trades” were “the primitive ones of a pioneer community” (Semple 1910, 579): “In consequence,” wrote the geographer Ellen Sample Churchill, “our Kentucky mountaineers have only a semi-developed commercial conscience.” Even worse, they were poor risks for employment, since they did “not appreciate the full moral force of a contract” (Semple 1910, 589) and were “unsuited to the routine of work” (Schockel 1916, quoted in Batteau, 83). “Their methods of agriculture – if methods they may be styled” were likewise, “of the most primitive sort” (Allen, 67). Mountain farming was pictured either as “arduous” (Fox 1901, 128), because of rugged terrain and crude implements, or as casual and undemanding where “the men have nothing to do – a little work in the spring, and nine months rest” (Allen 1899, 68). In either case, it was “unremunerative” (Fox 1901, 128). As a result, “most of the people are poor, and they have no sense of accumulation” (Allen, 66). Their pitiful habitations were “primitive in the extreme,” and both men and women were described by outsiders as looking “underfed, [and] illnourished” (Semple 1910, 569).

Recently, Appalachian scholars have done much to counter these economic representations of early Appalachia. They have demonstrated surprisingly extensive commercial and industrial development in the mountain South well prior to the modern era of coal mining and timbering (Dunaway, 1996), and they have examined the dynamics of subsistence farming as an economy in its own right, not an absence (see Billings and Blee 2000; Pudup, Billings, and Waller 1995; Waller 1988; and Weise 2001). But, as we shall see, late nineteenth-century images of Appalachian economics continued to invest the region with particular meanings as they were carried over into the Great Depression and well beyond.

## **The great depression**

During the Great Depression, several economic representations competed for authority. When national policy was focused on economic “under-consumption” during the depression era, the first federally sponsored survey of Appalachia described the region as the largest zone of subsistence-oriented, non-commercial – and hence “unproductive” – agriculture in the United States (USDA 1935). It urged emigration of Appalachia’s “under-employed” rural population at the same time that new disciplinary regimes of economic development such as the Tennessee Valley Authority (TVA) were established. The TVA flooded mountain farms, as well as whole communities, to build dams and provide “cheap” power for southern economic development, forcing numerous mountain farmers into the waged work force (McDonald and Muldowny 1982).

According to Batteau (1990, 138), in order to legitimate itself, “TVA found it necessary to create an Appalachian mountaineer who would exemplify the forces it opposed.” In government propaganda films such as *The Valley of Tennessee*,

TVA's ambitious combination of technocratic social planning, engineering, and public power production was contrasted to the benighted mountaineer who stood in the way of progress. New technologies such as social surveys and I.Q. tests were used to confirm old images, allowing sociologists to assert

The hollow dweller has no ordered routine of toil. He is unafflicted by the weariness of those doing the work of the world; he has no need of a paradise of rest. His affections are much closer to the animal level than in the population at large" (Sherman and Henry 1933, 65).

It was also during this time of acute national crisis that the iconic image of the lazy "hillbilly" was standardized in national cartoons (Batteau 1990, Harkins 2004). Once Appalachian lands and natural resources had been secured by railroad and coal companies, fearful images of the savage mountaineer were displaced by images of the hillbilly fool, slumbering throughout the day alongside his equally lazy hound dog. Devil Anse Hatfield, the fiercely depicted feudist of the 1880s, was transformed into Snuffy Smith and L'il Abner as, once again, images of Appalachians were deployed to signify what the absence of economic progress might look like. At the same time, the hillbilly's reputed disregard for economic success would again express the mixture of dread and envy that representations of America's others usually convey. Mass audiences, threatened by unemployment, were encouraged to laugh at cartoon images of a people for whom the absence of work was a tolerable, even desired, condition.

Still other representations were advanced by Depression-era reformers. Women active in the settlement house movement, for instance, created the Southern Highland Handicraft Guild to preserve their preferred versions of "mountain culture" and to provide economic relief by organizing and marketing homemade women's products. The Guild rationalized craft production by supplying standardized materials and design patterns (sometimes of European origin) for commodities that, despite their contrived nature, were marketed as authentic mountain crafts. This approach was opposed by other reformers in the Women's Bureau of the US Department of Labor who attempted to define Appalachia's women artisans as exploited, full-time wage laborers – rather than part-time, domestic workers, as the women of the settlement schools would have had it – and to regulate their wages and working conditions (Becker 1998).

Finally, some members of the American left represented Appalachia during the Depression as a potent symbol of imminent proletarian revolution. They were inspired by the mass insurgency of 10,000 armed coal miners who had marched from Charleston, West Virginia in the 1920s to overthrow the gun thug-dominated, anti-union government of Logan County, and by the communist-led strike of Harlan County, Kentucky miners in the 1930s. They pictured Appalachia as a zone of spontaneous class militancy. Most notably, novelist Theodore Dreiser and the National Committee for the Defense of Political Prisoners published testimony they gathered in Harlan County about labor exploitation and political oppression there, and they took Kentucky mountain folk-singer Aunt Molly Jackson to New York

City to represent in song Appalachian miners' plight and determination (National Committee for the Defense of Political Prisoners 1970 [1932]; also Romalis 1999). Significantly, by ignoring the huge numbers of Eastern Europeans and African Americans working in Harlan County's mines and recycling stereotypes about the Appalachian folk culture, the essayists in *Harlan Miners Speak* sought to give "native" radicalism a pedigree that would be traced to the American Revolution and a mythical frontier past.

Songs of this era which were indigenous to the mountains, and written in a new key of class consciousness, nonetheless advanced novel representations of the Appalachian economy that countered old images. Aunt Molly Jackson sang her "Ragged Hungry Blues" in Harlan County before members of the Dreiser committee, who printed it as the front piece to their *Harlan Miners Speak: Report on Terrorism in the Kentucky Coal Fields* (1932). Her lines included the following:

I'm sad and weary; I've got the hungry ragged blues;  
I'm sad and weary; I've got the hungry ragged blues;  
Not a penny in my pocket to buy the things I need to use.

...

No food, no clothes for our children, I'm sure this ain't no lie,  
No food, no clothes for our children, I'm sure this ain't no lie,  
If we can't git more for our labor, we will starve to death and die.

Once Sarah Gunning, now regarded as one of the finest folk singers to come from the Kentucky mountains, joined her half-sister Aunt Molly in New York City, she wrote more than a dozen protest songs about Appalachian labor conditions. One of them, *Come All You Coal Miners*, declares

They take our very life blood, they take our children's lives,  
Take fathers away from children and husbands away from wives.  
Coal miners, won't you organize, wherever you may be,  
And make this a land of freedom for workers like you and me.

Her song ends with the following exhortation: "Let's sink this capitalist system in the darkest pits of Hell" (Green 1965).

Meanwhile back home in Harlan County, as she stayed awake all night with worry, knowing that Sheriff J. H. Blair's deputized "gun thugs" were searching for her husband, a union supporter, Florence Reece wrote what would become one of the most familiar songs in this country's labor movement, "Which Side Are You On?" Written on a torn-off calendar sheet to the tune of an old Baptist hymn, its lines depicted the polarization of sympathies in the 1930s Appalachian coal fields:

If you go to Harlan County,  
There is no neutral there,  
You'll either be a union man,

Or a thug for J. H. Blair.  
 Which side are you on?  
 Which side are you on?

(quoted in Hevener 1978)

## The 1960s and the war on poverty

By the 1960s, although a new era of militancy would follow, the heroic era of class conflict in Appalachia seemingly had passed as mechanization of the coal industry resulted in extensive deindustrialization. Mechanization, along with the inability of agriculture to sustain a large population, led to massive outmigration from Central Appalachia as well as to media representations of the region as a zone of persistent poverty, “a vast ghetto of unemployables” (Bigart 1963). Sociologists retooled nineteenth-century depictions of the region’s folk culture to portray contemporary Appalachia as a region-wide culture of poverty, “an analgesic subculture” (Ball 1968), while mainstream economists – blind to the very factors that had led to crisis – described Appalachia as an empty economic space that lacked integration with the wider economy. A new regime of economic development, the Appalachian Regional Commission, promised to integrate Appalachia, once again represented as “a region apart,” into the national “free-enterprise orbit” by investing in infrastructure (roads, sewers, and industrial parks), urban growth centers, and training (quoted in Whisnant 1980). Cultural modernization theory in sociology thus offered complementary representations to those of neoclassical regional development economists (Walls 1976).

Scholars and activists in the region in the 1970s responded critically to these representations of Appalachian deficiency by asserting that the region’s problems could better be understood in terms of economic exploitation and political domination than in terms of cultural traditionalism and economic isolation. In shifting attention from culture to coal, however, most of them focused on the impacts of absentee ownership on communities, rather than on class relations in mining (see Lewis, Johnson, and Askins 1978). Influenced by Latin American dependency theory as well as representations of racial ghettos as “internal colonies,” they reshaped the discourse on Appalachia by the use of metaphor and metonymy. The metaphor of Appalachia as an internal colony soon began to displace the culture of poverty in discussions of regional economics, at least locally in Appalachian academic and activist circles, and coal came to symbolize the whole of Appalachia (see Lewis 1970).

Neo-Marxists within the emerging Appalachian studies movement were critical of the representation of Appalachia as an internal colony (Southern Mountain Research Collective 1983–84). While agreeing that the coal industry should be the primary focus of analysis, they pointed out that regions do not exploit regions; rather, classes exploit classes. They defined the process of capital accumulation as the appropriate object of study, not the region itself. The latter was viewed simply as “context” (Simon, 1983–84). The essentialistic representation of regions as arenas of class exploitation, however, emptied Appalachia of much of its particular

content and reduced it to an abstraction, an empty space for the forces of capitalist accumulation and resistance to it. While Marxists produced important studies of the labor process in coal mining, class formation, and the history of union struggles (especially Banks 1980a, 1980b), representations of Appalachia as over-flowing with capitalism were in some ways simply the reversal of neoclassical economic development theory's representation of Appalachia as an empty vessel waiting to be filled by the magic of the market. In neither case were local complexity and historical specificity adequately represented.

Arguably, the failure of the Marxists of that era to represent place adequately in relation to history, i.e., as something more than "context," may explain why, despite obvious flaws, representations of Appalachia as a colony better captured the imagination of the region's scholars and activists alike. Books such as Ronald Eller's *Miners, Millhands, and Mountaineers* (1982), John Gaventa's *Power and Powerlessness* (1980), and David Whisnant's *Modernizing the Mountaineer* (1980) narrated struggles between insiders and outsiders in Appalachia that, while often tragic, nonetheless helped to fuel regional activism throughout the 1980s. For example, a large, multi-state participatory research project documented the high levels of absentee land ownership and low taxation throughout the region (Appalachian Land Ownership Task Force, 1983), and gave rise to important and still enduring citizen reform movements such as the Kentucky Fair Tax Coalition (KFTC) which today, as Kentuckians for the Commonwealth, remains the largest multi-issue, grassroots organization in the state of Kentucky (Fisher 1993, Tice and Billings 1991).

On the labor front, militancy was rekindled in the 1970s, as coal miners staged numerous wildcat strikes, fought to organize non-union mines, and struggled to improve health and safety conditions, win compensation for black lung disease, and to reform their by-then corrupt and complacent union (Seltzer 1985). A successful organizing strike against Duke Power Company by miners and their wives in Brookside, Kentucky brought national attention once again to Harlan County, Kentucky, especially through an Academy Award-winning documentary film, *Harlan County, UKA*. But while the tonnage from non-union surface mines soared throughout the 1980s and 1990s, union employment in underground mines declined and so too did class-based discourse. A study of Harlan County miners in the late 1980s found younger miners there much less militant than their fathers who had battled for union recognition in the 1930s and 1940s. They blamed social problems on the "greed" and "pride" of company bosses but not on capitalism as an economic system, and they accepted economic competition as long as it took place on a "level playing field" (Scott 1995).<sup>1</sup>

1 Mary Anglin (1993, 2002) has shown how women workers in Appalachian North Carolina's mica industry use the imagery of kinship to clarify loyalties, assert rights, and strengthen bonds of class solidarity and emotional support at work. Anglin also demonstrates that the employers of these women use the same symbolism to inculcate a sense of accountability and loyalty to the company, suggesting the multiple and contradictory ways in which economic representations can be put to use and how the socio-historical context and power field shape that usage.

Only in the early 1990s, when a reformed national union successfully challenged the Pittston coal company over the use of non-union subsidiaries and the cancellation of health benefits and pensions for retirees, did class rhetoric find renewed expression. UMWA vice president Cecil Roberts frequently opened mass meetings of striking miners and their remarkably broad base of supporters by saying:

Welcome to class warfare in southwest Virginia! All you need to know about this war is this: You work; they don't. You ought to be on our side, because working-class people have been taking it on the chin for the past 10 to 15 years. It's time to stop being quiet. Every major union in this country has taken a stand and recognized this battle for what it is. It's class warfare. (quoted in Sessions and Ansley 1993, 201)

### **Contested representations today**

Battles over economic representations of Appalachia are no less important today. About 150 of the 407 counties currently served by the Appalachian Regional Commission are officially portrayed as “economically distressed” and one fourth of the region’s population is defined as impoverished by federal standards (Manion and Billings 2005). Distress is especially acute in Appalachian Kentucky where, in 1990, 16 of the 20 poorest ARC counties were located, including nine of the top ten. Indeed, 10 percent of the poorest counties in the United States were in Kentucky that year. Here, as across the rest of Appalachia, citizen organizations are waging discursive “wars of position” in civil society to win support for counter-hegemonic representations of the Appalachian economy against developers, industry officials, and state agencies. Space permits mention of only a few examples.

In Kentucky, some agencies in that state’s economic development regime remain committed to the old strategy of branch plant industrial recruitment, but they are opposed by the Democracy Resource Center, a founding member of the Kentucky Economic Justice Alliance, which has criticized Kentucky’s “low road to economic development,” i.e., the more than \$3 billion dollars in grants and incentives awarded to non-local corporations for locating plants in the state while creating only a handful of jobs (Bailey and Natter 2000). Besides chasing smoke-stacks and wood chip mills, other state agencies are trying to better Kentucky’s position in an imagined “New Economy” by stressing “flexible” production and employment, deregulation, and investments in informational and bio-technology – all in the name of “global competitiveness.” Accordingly, Appalachia is represented on one federal government website as being one of America’s “economic flatliners” that is among the “places left behind in rural America” ([www.hud.gov/library ... shelf18/pressrel/leftbehind/nowflat](http://www.hud.gov/library...shelf18/pressrel/leftbehind/nowflat), accessed 3/10/2001). But such thinking has been challenged by the Community Farm Alliance which developed a “Greenprint” for Kentucky that succeeded in convincing the state legislature to use millions of dollars in tobacco settlement money to preserve “family scale farming” while “protecting the environment and strengthening rural community life”

in opposition to “policies that promote a global industrialized agricultural economy” (Community Farm Alliance (CFA) 2001). On a much smaller scale, the Mountain Tradition Cooperative in Leslie County, Kentucky is trying to represent “wildcrafting” (environmentally sensitive herb collecting, processing, and marketing) as a sustainable alternative to coal and timber extraction (anon 1998).

Still other representations vie for attention in Appalachian communities outside of Kentucky. The Appalachian Center for Economic Networks (ACEnet), a community economic development organization serving Appalachian Ohio, has applied models derived from worker cooperatives in the Mondragon region of Spain and the networked, niche-based firms of Modena and Bologna, Italy to provide venture loans, training, support, and incubator facilities for about 200 businesses, many of them are linked in the food sector and organized as cooperatives ([www.ACEnetworks.org](http://www.ACEnetworks.org)). Finally, in an approach that is consistent with the recent emphasis placed on the centrality of current and past forms of non-capitalist, multiple-livelihood strategies in Appalachia by ethnographers and sociologists (Halperin 1994; Billings and Blee, 2000), the Coalition for Jobs and the Environment provides support and training for what it terms the informal “patchworking” of income sources among residents in adjacent counties in Appalachian Virginia and Tennessee, including bartering (“Coalition for Jobs and the Environment 2000”; also, Flaccavento 1997).<sup>2</sup>

In each of these efforts, and many more across the region, the politics of economic representation play key roles in discursive struggles to define and intervene in Appalachian economies. They also illustrate the discursive style of nonacademic (“everyday”) economic representations in the region, and the attributions of interests, responsibilities and identities; claims to authority; and modes of expression they often entail (Ruccio and Amariglio 2003).

An important example is Foster’s (1988) ethnographic study of the politics of culture in Ashe County, North Carolina. Rather than presenting a fixed image of local culture as a set of collective traits, Foster (1988, 203) remarks that culture appears “in this context as extraordinarily fluid and changeable; it operates as a placeholder, a representation that shifts, deviates, and often wobbles in an unstable and quixotic fashion, depending on the desires, options, constraints, and interventions at the crossroads of the present.”

In an analysis of the successful efforts of local citizens in 1975 to prevent a power company from damming a portion of the New River to create a reservoir that would have displaced nearly 300 families, Foster examines local resistance as a dramaturgic process, a politics of representation. He highlights the economic representations Ashe County citizens used to “save the river” and to objectify a version of their cultural past to planners and outside policy-makers as a way of life worth preserving. Ironically, by choosing to represent their threatened way of life in

2 For a discussion of Stephen Gudeman’s stress on the anthropological importance of locally constructed “models of livelihood” as opposed to the imposition of “universal” models of economic behavior in the discipline of academic economics, see Ruccio and Amariglio (2003).

terms of stereotyped images, folk-culture artifacts, and old-time music, grassroots activists inadvertently opened the door to the commodification of a partial version of their culture and thus potentially to further domination.

Foster returned to Ashe County nearly ten years after the struggle had been won, to find that the embrace of mythic forms of identity that had served to stop the dam project had also begun to change the rhetorical forms through which local people understood themselves and their history, economy and community. More importantly, he showed how the process of economic representation provides a “forum for negotiating and re-negotiating meaning.”

Such struggles have been central to community and economic development efforts in the Appalachian community of Ivanhoe, Virginia, a mining and manufacturing community based on iron, lead, zinc and manganese. Ivanhoe was proclaimed a “dying community” in 1981 when its last plant closed and its workers were forced to commute an average of 63 miles for employment (Hinsdale, Lewis, and Waller 1995). How, in response, Ivanhoe citizens moved from an unsuccessful economic development strategy (centered on capitalist industrial recruitment) to a successful, locally based process of not-for-profit social service and education provisioning affords insight into how economic representations – and the knowledges they embody – circulate, and how they are changed and mobilized in local contexts of economic revitalization.

Such changes were facilitated by the emergence of an indigenous, working-class, organic intellectual in the local community, Maxine Waller, who was charismatic in both the Weberian and Pentecostal senses of the term. She, in turn, invited a sociologist from the Highlander Center, Helen Lewis, and a feminist theologian associated with the Glenmary Research Center, Mary Ann Hinsdale, to participate in and help facilitate community deliberations. Changes in community economic knowledge, representations and action were accomplished and enacted in a prolonged community process lasting more than five years, which included song and poetry writing, festivals, dramas, pageants, puppet shows, gospel sings, bonfires, carnivals, parades, communal suppers, human chains, study groups that read materials ranging from critical studies of globalization to reports on liberation theology from Latin America and the research and publication of local history. A particularly noteworthy example was a carnivalesque theatre project in which larger-than-life puppets representing the corporate officers who had closed local plants and the state economic development officials who had opposed the town’s transgressive approach to community development were paraded and ridiculed on the streets of Ivanhoe.

More than any other factor, however, Pentecostal religion – dismissed by sociologists of the 1960s as a narcotic of Appalachia’s “stationary poor” (Gerrard 1971) – provided a discursive model for the morality tales, attributions of responsibility and justifications of authority that empowered Ivanhoe’s narratives of abandonment and reclamation. In prayer meetings, Bible study sessions and prophetic testimony that re-visioned its economy, representations of Ivanhoe’s past and future were revised, redeemed, and sanctified in a rhetoric that led from the concept of “sin as victimization,” i.e., the town’s self-blame for its decline,

passivity, and dependency on corporations and state authorities, to a “conversion to community” that authorized new economic undertakings in an inclusive and collaborative manner (Hinsdale, Lewis and Waller 1995; Gerrard 1971, 216–21).

Significantly, transformations of economic representation in Ivanhoe were important elements in the transformation of local identities and practices as well as motors of practical economic change. The hope is that new everyday economic knowledges and practices may have similarly positive effects elsewhere in the Appalachian region.

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# 10 Pushing into a pipeline or pushing on a string? Duelling representations in development and educational theories

*David Ellerman*

## **Development assistance represented as a “pipeline”**

Put more aid money and technical assistance into one end and more development will come out the other end. That is the “development-assistance-as-pipeline” representation that seems to be implicit in the major development agencies such as the World Bank. Listen to the discourse at any of the international meetings of the “Development Set” concerned with “combating global poverty” or working on the Millennium Development Goals.<sup>1</sup> Any suggestion that development assistance might be a highly subtle and non-linear process in which money plays a fairly small and potentially negative role is quickly dismissed. Moral fervor is focused on getting more aid money into the pipeline so that more development will (of course) emerge at the other end. To do other than increase aid money would be tantamount to shirking one’s responsibility to future generations.

I consider an alternative representation of development assistance as more like a conundrum where direct frontal-assault methods not only fail but are counter-productive. Subtle indirect methods are needed that bear little relation to the “flow-through in the pipeline.”

Many metaphors duel in education and literature but they tend to fall into two classes. Is the (learner’s) mind more like a passive mirror or an active lamp (Abrams 1953)? There have been plenty of pipeline metaphors criticized by educational reformers where the learner was seen as being passive: a wax tablet on which knowledge is stamped, a mirror or reflector for knowledge (Plato, John Locke), a vessel or cistern into which knowledge is poured (Ralph Cudworth, Samuel Coleridge, John Dewey), a phonographic record onto which knowledge is recorded

<sup>1</sup> Jeffrey Sachs has always represented, if not caricatured, this discourse both for the post-social transition (“shock therapy”) and now for the poorest countries: “I have led efforts that have canvassed the world’s leading practitioners in disease control, food production, infrastructure development, water and sanitation, Internet connectivity, and the like, to identify practical, proven, low-cost, and scalable strategies for the world’s poorest people” (Sachs 2006, p. 97). Then he goes on to estimate that \$75 billion a year into the pipeline would get the job done.

(Dewey, Antonio Gramsci, Gilbert Ryle), and now in the computer age, “a sort of printout in the minds of students” (Hawkins 2000, 2). The teacher supplies the knowledge that is imprinted onto the student, crammed into the student as into a bag (Jacques Maritain), forced into the student through a funnel (Martin Buber), drilled into the student as into hard and resisting rock (Dewey), forced into the student using a grease gun (Douglas McGregor) – all like corn being force-fed to geese.

The alternative “lamp” pedagogy sees the student’s mind as taking a more active role represented by metaphors such as lamp, fountain, or projector. The teacher then has a more subtle indirect role of a guide, coach, or midwife to foster and nurture the student’s active search for and appropriation of knowledge. Some of the subtlety of the teacher’s indirect role can be expressed using the metaphor of the internal fountain. Impediments can obscure or block the flow of the fountain (like turning off a faucet or hose). External enabling help can then unblock the fountain or open the faucet but the subtle point is that external help cannot directly supply the pressure to make the fountain flow. That pressure has to come from within. Trying to force learning in the sense to trying to force flow through a pipeline does not work because it is like “pushing on a string.” One “warhorse” metaphor is “while we may lead a horse to water we cannot make him drink” (Dewey 1916, 26).

Taking a lead from educational theory, our task is to consider an alternative non-pipeline representation of development assistance.

## **The fundamental conundrum of helping self-help**

The long-term goal of education is presumably not learning a given set of “truths” but to develop the capacity and interest for learning autonomously long after the formal educational episode. Such learning is “autonomous” in that the teacher does not have an authoritative or heteronomous role; it would typically be based on peer-to-peer collaborative learning relationships. Unfortunately, the educational process often is conceptualised as the transfer of knowledge through a pipeline from the active and knowing teacher to the passive and unknowing student. While the student may successfully acquire and reproduce some past knowledge, the dynamics of that “educational process” tend to impede the development of the capacity for and interest in autonomous learning.

The “help” provided by the teacher in this sort of “transfer” or “dissemination” version of education precludes and crowds out self-help and self-reliance on the part of the learner. The problem of “helping self-help” is not some minor difficulty in educational practice; it is a fundamental conundrum common to all helper-doer relationships, the teacher-student relationship being only one example among many (such as the relationships of community organizer to the community members, managers to workers, parents to children, therapists or social workers to clients, and so forth). In education, this helping conundrum occurs in various forms as the “learning paradox.”

The philosopher, David Hawkins, has outlined the conundrum and the connection to autonomy:

If we ask how the teacher-learner roles differ from those of master and slave, the answer is that the proper aim of teaching is precisely to affect those inner processes that ... cannot in principle be made subject to external control, for they are just, in essence, the processes germane to independence, to autonomy, to self-control. (Hawkins 2000, 44)

This educational conundrum is the pedagogical version of the general helping conundrum. Over the years, the seemingly endless development debates about aid, help, assistance, ownership, and capacity-building keep circling around and around this conundrum.

### **The social engineering form of unhelpful help**

One approach to resolving or mitigating the conundrum is to increase awareness of the ways that “help” or assistance can be “unhelpful” in the sense of not fostering autonomous learning. Then one could better implement the old norm of “first, do no harm” by stopping unhelpful help.

There are essentially two distinct forms of unhelpful help which might be called “social engineering” and “oppressive benevolence.”<sup>2</sup> The form of unhelpful help considered here both in education and in development assistance is the controlling or social engineering form of assistance. The helper has the answers or solutions and has various ways to cajole compliance on the part of the doers to these “new ways” of doing things. Then the helper has the ownership of the process, not the doers. Compliance is perfunctory and ineffective, and the doers have still not learned to find their own answers. Their own answers might even be the same as those originally provided by the controlling helpers. But the point is not the “what” but the “how.” The answers do not really become the answers-for-the-doers until the doers find them through some process that gives the doers some ownership of those answers.

Educational organizations tend to create and foster domineering ownership on the part of the teachers or helpers. Organizations want to see that their staff “produce results.” Staff have to take over more and more control of the process of helping the doers so that they can be sure to “show the results” demanded by their organizational superiors. In accordance with the principle of people owning the fruits of their labour, the doers will have ownership when they are in the driver’s seat (indeed, the description as “doers” would not be accurate if they

2 Albert Memmi found essentially the same two forms of an unhelpful helper-doer relationship. In the social engineering case, the “helper” is the dominator or colonizer while the “doer” is the subjugated one or the colonized (Memmi 1967). In the case of “oppressive benevolence” (to use John Dewey’s phrase), the “helper” is the provider and the “doer” is the dependent (Memmi 1984).

had a passive role). But in the standard view of knowledge-based assistance, the helpers are teachers or trainers taking the active role to transmit “knowledge for development” to the passive but grateful clients.

With this standard methodology of knowledge-based assistance, the “best learners” are often the most marionette-like trainees who quickly learn the new jargon to parrot the main messages. Those “best learners” are then qualified to staff the local missions or missionary outposts that are the staging areas and repeater stations for scaling up the transmission of the main messages to others in the target population. Here is the language in an internal memo from the World Bank’s training wing, the World Bank Institute (WBI), to the Bank’s Board describing this process of going from retail to wholesale training:

These relationships evolve as follows. The partner institutions send some of their faculty to attend the course that they propose to replicate. Then WBI trainers and partner staff work together in the design, joint delivery, and adaptation of the course. Initially, the partner institution receives strong support, followed by a gradual reduction over three years, by which time it is expected to take up full responsibility for program delivery. From this point on, WBI limits its role to supervision, monitoring quality, network facilitation, and updating training materials.

Thus they learn to “replicate,” they don’t learn to learn. To people from post-socialist countries, this is a COMINTERN transmission-belt style of operating but with the Bank’s partner institutions presumably parroting the “right messages.”

Since this “knowledge for development” is offered below cost or for free as an “international public good,” it is quite tempting for developing countries to accept this sort of knowledge-based development assistance. There are even positive incentives such as extensive travel, pleasant accommodation, generous per diems, and other vacation-like benefits offered to those who undergo the training. From the agency side, management pushes task managers or trainers to “show results” – particularly results that can be observed and evaluated back at headquarters (such as the head count in training programs). Instead of helping people learn how to fish for themselves, the task managers need to show that they have “given out a certain number of fish” or, even better, that they have helped set up a “wholesale fish distribution system” to scale up the delivery of the knowledge to the client country. Thus the “helpers” need to “take ownership” of the process of assistance in order to “show results” and the clients are agreeably induced to go along.

This is not a new problem. It is a version of the organizational tendency of schools to hold teachers responsible for the students’ learning. For instance, one would hope that the substantive goal of school teachers is to awaken a self-starting learning capacity in the students – but that goal is difficult for a third-party to objectively certify. Hence the measurable proxy goal of passing standard tests

is used, and then teachers are pushed by educational administrators to fulfil the “results-based” requirements by drilling students to pass the standard tests. In this way, the shoe-horning of education into the procrustean bed of results-based contracts would probably do more harm than good to the original substantive goals of education.

In a way, it is all quite ironic. Parents, politicians, and school administrators all want students to be creative problem-solvers and to learn material at a deep, conceptual level. But in their eagerness to achieve these ends, they pressure teachers to produce. The paradox is that the more they do that, the more controlling the teachers become, which ... undermines intrinsic motivation, creativity, and conceptual understanding in the students ... The same is true for managers and others in one-up positions. The more they feel pressured to get results from their employees (or children, or athletes, or students) the harder they push. Unfortunately, in the process, they typically sabotage their own efforts. (Deci 1995, 158)

A similar history could be given for the whole modern “industry” of development agencies; the more the agencies take “responsibility” for developmental outcomes, the less “ownership” on the part of the developing countries. Judith Tandler (1975) develops a particularly powerful version of this thesis that organizational ownership undermines and crowds out client ownership. Without working to generate its own supply of good projects, a development agency would have insufficient “deal flow” through the pipeline to justify its own budgets.

The initial position of the Bank was that preparation of a project was the responsibility of the borrower; if the Bank became involved, it could not thereafter be sufficiently objective in appraising the project. Though buttressed by logic, this position soon gave way to the pressure of events. “Experience has demonstrated that we do not get enough good projects to appraise unless we are involved intimately in their identification and preparation.” (quoted sentence from: Mason and Asher 1973, 308; quoted in Tandler 1975, 87)

The pressure was generated by the low quality as well as small quantity of projects. The development agency is like a company that receives “inputs” (project proposals) of such a poor quality that the company cannot produce its own “product” (funded projects). Hence, the company needs to vertically integrate the production of the input into its own operations.

This taking over of project generation by development assistance institutions is like the backward vertical integration of firms in the private sector. The organization expands “backward” into the task environment and starts to “manufacture” project applications itself. It thereby lessens the high degree

of uncertainty of the environment from which it must get its inputs, assuring itself of a more reliable source of supply. (Tendler 1975, 103)

Thomas Dichter (2003), writing over a quarter of a century later, shows powerfully that this tendency of organizational imperatives in the “Dev Biz” to subvert development continues unabated if not strengthened today. This *Tendler effect* shows how the organizational imperative to “take responsibility” for the “product” crowds out the ownership of the clients and leads to passivity and dependency.

That is, the more that donor organizations are able to impose order on the outside decisionmaking that affects their product, the better they can perform their task. In so doing, however, they bring dependency to those whose decisionmaking has been so ordered. Seen in this light, dependency is the result not necessarily of design but of an organization’s attempts to do well. (Tendler 1975, 109)

Yes, “it is all quite ironic.” The same logic ramifies through every level of educational and developmental organizations. Those who teach or help must “show results” in order “to do well” so more and more responsibility and ownership is taken over to the detriment of the learners or doers of development.

### **Starting from where the doers are and seeing through their eyes**

Much “bad development assistance” consists in getting countries to “pass good laws” and then expecting everyone to wake up the next morning and start acting like the people in the donor’s or helper’s own developed country. In a similar manner, much bad pedagogy is based on assuming that the students already have the background, interest, and framework necessary to learn a certain discipline so that it will be quickly assimilated as the result of instruction.

But for learning to take hold, the teacher would do better to start with where the students are – their way of seeing the world, their interests, and their pressing problems. To engage peasants in the process of gaining literacy, Paulo Freire recommended constructing lessons based on discussions with the peasants based on their world and their problems (1970). The same methodology seems to have evolved independently in the citizenship schools teaching literacy in the US civil rights movement. The literacy pedagogy was described by one of the first teachers: “They tell me a story, a story which I write down, then they learn to read the story. It’s their story in their words, and they are interested because it’s theirs” (quoted in Horton 1998, 103). John Dewey’s pedagogy had a similar technique of starting with some practical task that had the students’ interest and engagement, and then wove the instruction into the process of solving the problems thrown up by that practical task. The purpose was not at all to make educational “vocational” but to ground the education in the world-view and interests of the learners.

In the development literature, Albert Hirschman's theory of unbalanced growth (1961) could be usefully seen through Dewey's lens that focuses educational and change efforts on the current interests and concerns of the learners (1916). Rather than try to impose a comprehensive balanced growth program, little of which might engage the doers in a country, start from their pressing problems where pressure is building up to break out of the old way of doing things. Once change takes place to resolve that problem, other problems will be entrained from bottlenecks that appear and constraints that start to bind. Attention is then refocused on those problems, and the ground is prepared for further progress.

### **Example of not starting where people are: cargo-cult reforms**

There is a certain "cargo-cult" dynamics that cuts against "starting where people are." There is a self-reinforcing vicious circle that leads to attempts to "install" inappropriate "advanced" institutions in developing and transitional post-socialist countries. Let us begin with the supply side of this unhappy transaction.

People from developed countries are, in effect, "born on third base and think they hit a triple."<sup>3</sup> Often such "natural-born development experts"<sup>4</sup> are graciously disposed to teach developing countries how to "hit a triple." The developing country should redraft its laws to describe the institutions seen from a First World vantage-point ("third base") and then, after passing these new laws, everyone should wake up the next morning as if they too were born on third base. Unfortunately, societies tend to operate on the basis of their de facto institutions, norms and social habits, not their formal laws – and particularly not the formal laws "pulled out of the air" with little relation to past experience. When such a gap between formal and de facto institutions is introduced, then the bulk of the population can rarely "jump over the chasm" to suddenly start living according to the new formal laws. People "need a bridge to cross from their own experience to a new way" (Alinsky 1971, xxi). Semi-legal ("gray") and illegal ("black") activities become more prominent as the connection between legal and actual behavior is strained to and beyond the breaking point. The advice from the natural-born development experts thus becomes more part of the problem than part of the solution. More relevant institutional information could be provided by people who were only on first or second base since they might actually know how to hit a single or a double.

I now turn to the demand side – the demand for impossible jumps to institutions copied from technologically advanced developed countries. The people and

3 The baseball metaphor was used by the Texan populist and political commentator Jim Hightower to describe the first President George Bush.

4 This seems to be a particularly American affliction. But one might include people born in developing countries whose principal intellectual formation has been in the United States or in their former colonizer such as the UK or France.

the politicians of the developing and the transition economies are constantly bombarded by the mass media with images of life in the First World. They want to get there “tomorrow” (if not “yesterday”). Consultants and academics from elite universities with no real development experience – and thus with only a third base perspective – badger the government officials to have the “political courage” and “strength of will” to undertake a shock-therapy-style change in institutions, to jump over the chasm in one leap (i.e., jump directly to third base) – as if such institutional change were actually possible.<sup>5</sup> Those locals who caution against radical leaps are dismissed as only trying to protect their privileges and “rents” from the past regime. “How dare you think you know better than professors from Harvard or experts from the World Bank!” The idea is to “escape the past” (not to study the past to better design incremental change strategies). If the scientific experts from the First World give this advice, how can the benighted officials from the Third World or the post-socialist countries resist?<sup>6</sup>

For instance, in a southeast European post-socialist country that had been particularly isolated in the past, government officials wanted to jump to modern corporations “like in Europe.” This was an example of an “iceberg” institutional reform; the “above the water-line” laws could be quickly changed but the problem was the “below the water-line” long-term changes in behavior. They located a European foundation that was willing to fund an “adaptation” of the corporate laws of a west European country. The new draft laws were quickly passed by the Parliament so that the government officials and legislators could brag that they now had “European corporate statutes.” All they needed now was a few lawyers, a few judges, a few accountants, a few regulators, a few business people and a few decades of institution-building experience so that the new statutes could actually be used. Any attempt to get the country to adopt laws similar to those in neighboring countries that had incrementally evolved towards a market economy for several decades was angrily rejected. “Why do you try to get us to use these second-best or third-best laws when we can adopt the *best* European statutes?” Surely the natural-born development experts from the First World want to provide the best laws for their clients?

Thus, the government officials demand that they do not want some second-best “halfway house”; they want the “very best” for their people – like in the advanced countries. The third-basers in the international aid bureaucracies then can reap the seeds they have sown by “listening to the clients” and “responding to the clients’ desires” by trying to set up “public joint stock companies” in Albania, a “stock market” in Mongolia, “defined contribution pension plans” in Kazakhstan, “modern self-enforcing corporate laws” in Russia, and so forth. Thus the circle is completed; supply responds to demand in a self-reinforcing vicious circle to waste

5 This belief in the ultimate efficacy of political will to force institutional change is characteristic of the Bolshevik or Jacobin mentality.

6 See Wedel (1998) or Ellerman (2003, 2005) on the role of the Harvard *wunderkinder* (Jeffrey Sachs, Larry Summers, and Andrei Shleifer) in Eastern Europe and in Yeltsin’s Russia.

untold aid resources on the attempted instant gratification of a non-evolutionary “Great Leap Forward” to First World institutions.

One rule of autonomy-respecting assistance is that the helpers start from where the doers are, not from the helpers’ or doers’ fantasies. As an institutional change strategy, this is incrementalism as opposed to a shock therapy or blitzkrieg strategy of jumping over an institutional chasm in one leap. Those who promote a shock therapy approach are given to the self-serving misinterpretation of the debate as being about gradual versus rapid change. But incremental change can be quite rapid (e.g., the Chinese agricultural reforms), and it can take quite a long time to climb back out of the chasm after failing to jump over it in one leap.

The failed attempts at utopian social engineering might be usefully viewed from an anthropological perspective. The “Stock Market” is a quasi-religious totemic representation of a market economy. The Wall Street mentality found in the post-socialist world is reminiscent of the cargo cults that sprung up in the South Pacific area after World War II. During the War, many of the glories of civilization were brought to the people in the southern Pacific by “great birds from heaven” that landed at the new airbases and refueling stations in the region. After the War, the great birds flew back to heaven. The people started “cargo cults” to build mock runways and wooden airplanes in an attempt to coax the great birds full of cargo to return from heaven.<sup>7</sup>

Post-communist countries, with hardly a banking system worthy of the name, nonetheless opened up Hollywood storefront “stock exchanges” to supposedly kick-start capitalism. Government officials in East Europe, the former Soviet Union, and even Mongolia proudly show the mock stock exchanges, complete with computers screens and “Big Boards,” to western delegations (with enthusiastic coverage from the western business press) in the hope that finally the glories of a private enterprise economy will descend upon them from heaven. An earlier generation of misguided development efforts left Africa dotted with silent “white elephant” factories, and the present generation of revolutionary reforms in the post-socialist world left the region dotted with dysfunctional “cargo cult” institutions – the foremost among them being “Stock Markets” promoted by the US Agency for International Development, the World Bank, and the IMF.

## **Respect autonomy of doers**

My overall point is that assistance or help in development as in education should respect the autonomy of the doers or learners. One route to this result is by applying the activist philosophy of education to development as social learning. Instead of being externally imposed, transformation can only come from within as a result of activities carried out by an individual – or a larger organization, government, or country. As Richard Tawney observed about China

7 See the Foreword by J. K. McCarthy in Lawrence (1964) for the cargo cult formulation of the question of development assistance: “Where is the road that leads to cargo?”

in the early 1930s, “Salvation could not be imported from the West, even if the West possessed it; it is not an article of commerce. It must come from China herself, if it is to come at all” (Tawney 1966 (orig. 1932), 186).<sup>8</sup> While compliant behavior can be elicited from the outside, a country must “be in the driver’s seat” in order to undergo a sustainable transformation. Similarly, “ownership” of an outcome comes from the outcome being the fruits of the activities of the individual, organization or country, not from being a gift or an imposition.

If a developing country should take the initiative and be in the driver’s seat then how should a development agency initiate a project? In order to be rooted in the local soil, projects should not be initiated; embryonic projects should be found. This strategy is expressed in Schumacher’s favourite themes:

The first task is to study what people are already doing ... and to help them do it better ...

The second task is to study what people need and to investigate the possibility of helping them to cover more of their needs out of their own productive efforts. (Schumacher 1997, 125)

See where water is flowing in a good direction on its own accord and then widen and deepen the channel so that the stream might grow to a river.<sup>9</sup> Look for the positive changes already starting to take place in the underlying institutions (a “moving train”) and then apply development incentives (“jump on board”) to strengthen those pre-existing tendencies.<sup>10</sup> The development aid should not be controlling in the sense that the train should be moving anyway (i.e., by virtue of the country’s “internal motivation”). That is, the “moving train” should not be extrinsically motivated as a means to get the aid. If no trains are moving, then motion induced by “bribes” is unlikely to transform the underlying institutions.

These points might be illustrated by juxtaposing two very simple models of change. In a top-down or planning model, an agency offers incentives to mobilize agents of change to bring about a certain desired transformation. This might work

8 Or as Jane Jacobs has put it: “Development cannot be given. It has to be *done*. It is a process, not a collection of capital goods” (1984, 119). “Development is a do-it-yourself process; for any economy it is either do it yourself or don’t develop” (1984, 140).

9 As Chinese Communist reformer Hu Qili described this very un-Bolshevik methodology: “We allow the little streams to flow. We simply watch in which direction the water flows. When the water flows in the right direction we build channels through which these streams can lead to the river of socialism” (quoted in Harding 1987, 318). A related “pave the paths” metaphor is used by Christopher Williams (1981, 112). In a complex of new buildings, let grass grow between them, see where footpaths develop, and then pave the paths.

10 Project managers in development agencies sometimes unfortunately view projects with autonomous initiative (a “moving train”) as “not invented here” and not a result of *their* efforts. Moreover, unlike centrally initiated projects, such indigenous projects might evolve in ways that are outside the perceived policy guidelines of the development agency. Centrally initiated pseudo-projects with little legitimacy or embeddedness can still be presented to one’s superiors as “our project” in which “we can take pride – it would not have happened without our help.” Indeed.

if the transformation only concerns various stroke-of-the-pen reforms that can be implemented by external motivation. But for most structural or institutional reforms, changes in short-term behavior incentivized by the agency will be quite insufficient to induce a transformation. This sort of transformation can only come out of the internal motivations embedded in the processes of the society. An external helper can at best locate, not create, the agents of change and then perhaps help them along. But “one thing leads to another” by virtue of horizontal pressures and linkages within a society and eventually the desired reforms may take place as a result of these strengthened internal processes of change. Faced with certain obstacles to development, an advisor might try to locate agents of change and would explore “how, by moving the economy forward elsewhere, additional pressure (economic and political) could be brought on the obstacle to give way” (Hirschman 1971, 184).

Conventional development assistance typically tries to transplant a “best practice” backed up by conditionalities on policy-based lending or aid to motivate the country to implement the best-practice recipes. Yet, this policy reform process is designed to promote neither active learning nor lasting institutional change. It will undermine people’s incentives to develop their own capacities and weaken their confidence in using their own intelligence. There is a real danger that a development intervention, instead of acting as a catalyst or midwife to empower change in an autonomy-respecting manner, will only short-circuit people’s learning activities and reinforce their feelings of impotence. The substantial external incentives may temporarily overpower the springs of action that are native to the institutional matrix of the country, but that will probably not induce any lasting institutional reforms. As these reforms were externally imposed rather than actively appropriated by the country, there would be little “ownership” of the reforms. Compliance might be only perfunctory; the “quick” transplant might soon wither and die – to then be reinstalled in an “improved” form by the next generation of energetic task managers anxious to prove their worth in the development agency.

These methods can “help” others, but they cannot help others to help themselves. That requires autonomy-respecting indirect methods on the part of the helpers and autonomous self-activity on the part of the doers. Doers need not only to “participate” but also to be in the driver’s seat in order to make their actions and learnings their own. It is the psychological version of the old principle that people have a natural ownership of the fruits of their own labor. The helpers can use indirect and enabling approaches to provide background assistance. But the doers have to take the initiative and then keep it from being overridden or undercut by external aid. And then they will be the doers of their own development.

## **Concluding thoughts**

I have tried to focus this paper rather narrowly on the standard methodology of development assistance envisioned as social engineering and institutionally represented by the World Bank (where I spent over a decade including as advisor to Joseph Stiglitz – see Ellerman 2005). These questions of methodology are not

independent of the content of the “vision” embodied in conventional assistance. “Development” for Third World and post-socialist countries is represented as joining the global economy in a way that is complementary to the advanced economies (e.g., supplying natural resources or cheap labor) and as being “open” to investment from the leading economies (principally the United States) that will supposedly “bring development” to the host country (see Escobar 1994 as a classic in the literature on alternative visions).

While this analysis of development assistance dovetails well with the literature of alternative visions of development and the economy, the two questions are not the same. The Left as well as the Right has often adopted a social engineering approach to “changing the system,” and the “socialist” experiments of the twentieth century can hardly be counted as successes. It is not just a matter of having a genuinely emancipatory vision but of paying close attention to the question of how to get from here to there.

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# 11 Economic representation and subjectification

## China and modernization

*Kin Chi Lau*

The emergency of modernization forced upon China means that the pride and sovereignty of China could only be maintained by becoming the other in its “best,” that is, by adopting the criteria, norms and values of the developmentalism of the West that seemed to make it so “successful.”<sup>1</sup> The Deng Xiaoping Reform initiated in 1979 demonstrated China’s commitment to strategies of modernization to enable it to “progress” from a Third World country to a world power. However, the dangerous aspects of modernization in China today are all too obvious for anyone to ignore them, unless they are so blinded by the discourse of developmentalism as to allow their capacity for experience and imagination to be greatly diminished by notions of linear progress and the benevolent power of science and technology. Indeed, a genealogical probe will show that the pursuit of modernization did not start with Deng in 1979, but can be traced back to a century-old endeavour, already crystallized in the slogans for modernization in the May 4 Movement of 1919.<sup>2</sup> And the first three decades of the People’s Republic of China, with the Maoist political campaigns and mobilization epitomized by the Great Leap Forward and the Cultural Revolution, can be seen as the relentless steps taken to secure unquestioningly the centralization of state power so as to have command over labour power and resources in the pursuit of a speedy transformation of China into a modern power surpassing even the United States and Britain.

1 Developmentalism can be understood as “the combined myths of anthropocentrism and the linear view of progress” (Bowers 2001, 4). It is a colonial discourse of othering of modern western cultures enabled by the inscription of binary relations. De Certeau (1986, 232) has this observation in “The Politics of Silence”: “Western development, because of the favour accorded industrialization and social conflict, has created a ‘history’ for itself in which ‘nature’ only figures as an *object* of labor and the *terrain* of socioeconomic struggles. It has no value other than the negative one of peasant ‘resistance’ to be overcome, of a biological limit always to be transcended, or of traditionalist anchorings to be rejected.”

2 The Chinese Communist Party was formed in 1921, as a direct outcome of the agitation of students and workers from the May 4 Movement.

Today, after the Reform has been implemented for almost three decades, the representations of the mainstream practices may be too naturalized and familiarized for much hue and cry to be raised against them.<sup>3</sup> However, back at the turn of the 1980s, the radicality of the Reform in privatizing public property was quite beyond the imagination of most people. For example, most samizdat writings of 1979–81, representing the thoughts of so-called “civil society,” projected a political democratization for collectives to manage public property and the economy, rather than for the public property and the economy to be disintegrated and appropriated by private hands and removed from public accountability and monitoring. A people-centred and people-managed socialism was the dominant imagination (Lau 1993). The state policy, though, turned to a different course. After 1989, liberalization of the economy was intensified.<sup>4</sup> How the processes of disintegration and appropriation of state and collective property have occurred in the last three decades deserves an in-depth study, but it is not the purpose of this chapter to go into this area. Rather, in this paper I hope to deal with some of the “main dangers” of everyday life in China’s modernization today, with a view to the shaping of a form of activism not exhausted by the political binaries of oppositional politics, which, rather than disrupting the representational closure, inadvertently helps the congealing of the mentality of othering, and thus contributes to reinforcing the underlying frame of represented “truths.” Such a regime of truth (Foucault 1980, 133) operates to legitimize the new social relationships, representing social problems, for example, poverty and exclusion, as emanating from causes other than political and social inequalities in the distribution of wealth, or in class antagonisms.

I take as an example the film *Not One Less* to examine the representations of “obstacles” that modernization is supposed to surmount – the question of “poverty,” which is regarded as peculiarly a rural problem and is to be resolved by modern education. I discuss how the film, through its parameters of organization based on binary pairs such as urban/rural, modern/traditional, progressive/backward, resourceful/poor, evades the structural relations between modernization and rural poverty in China. Instead, it seems to suggest that the remedy to poverty is to administer a higher dose of modernization. In other words, the film allows the contextual specificities of poverty no occasion to stage themselves. Yet the abstraction is exactly the formula to conquer the hearts and minds of the urban intellectuals and the middle class. The effect of this is that the mobilization of sympathies for the underprivileged is at the same time the

3 Interestingly, on Premier Wen Jiabao’s visit to South Korea and Japan in April 2007, he reportedly said, in front of journalists, that due to the social polarizations between the rich and the poor in China nowadays, China is a strong economic power but not yet a civilized power. This report featured in headlines in newspapers in Hong Kong; however, such words coming from the Premier have not drawn much media attention within mainland China. See *China Finance Net*, 15 April 2007 (<http://www.zgjrw.com/News/2007415/Main/556135173300.html>).

4 Wang Hui reviews the complexities of the 1989 movement as a response to the hegemonic neo-liberalism unleashed by the Reform (Lau and Huang 2003, 211–23).

re-presentation of a modern self whose capacity for experience hinges more and more on media representations framed by binary pairs.<sup>5</sup>

I then take two examples of representations of alternative approaches to the question of modernization, to see how they address the effects of modernization, and represent a self and a relationship alternative to the “modern self.”

However, before I continue, I would like to offer a note on the way “representation” is used here. I am not interested in representation as an object, be it a sign, an image or a meaning, but rather, the relations evoked in a representation. Furthermore, it is not about relations of correspondence between signs and meanings that I am interested in. I am more concerned with the articulation between “representations” and practices. Simply put, I am interested in representations acting as truths that affect us, that is, as affective forces in the direction of our actions bound by an ensemble of practices culturally and historically “determined.”

I must also add that it is not necessary that a representation, recognizable as the same representation by a certain form in different instances of occurrences, will always evoke the same effect. However, the effectivity of a representation in the evocation of a certain disposition of the self to act in a certain way is only possible as a form of re-presentation of the self, that is, where there is effect, there is complicity. Thus, *Not One Less* succeeds in evoking sympathy not by disrupting the self. Rather, the self is affirmed in its relation to the object of sympathy by failing to acknowledge “the object of sympathy” as the Other of the Self, that is, the constitutive outside of the Self. What is not recognized is the naturalization of the other as the object of sympathy, as the victim of obsolete forces represented by the rural and traditional practices made redundant by modern development.

Hence, alternative representations for me would refer more to a different way of doing things and relating to one another and the self, rather than pitting one system of codes against another system of codes.

5 According to Stuart Hall, the sway of binaries over the mind is the “over-determining effects” of “globalization,” which for him represents the differential processes of colonization reinscribed in his reworking of the post-colonial question: “By ‘colonisation’, the ‘post-colonial’ references something more than direct rule over certain areas of the world by the imperial powers” (Hall 1996, 249). “It ... signals the proliferation of histories and temporalities, the intrusion of difference and specificity into the generalising and eurocentric post-Enlightenment grand narratives, the multiplicity of lateral and decentred cultural connections, movements and migrations which make up the world today, often bypassing the old metropolitan centres” (248). “That is to say, it had to be understood then, and certainly can be understood now, in terms, not only of the vertical relations between coloniser and colonised, but also in terms of how these and other forms of power-relations were *always* displaced and decentred by another set of vectors – the transverse linkages between and across nation-state frontiers and the *global/local* inter-relationships which cannot be read off against a nation-state template” (250). “Yet, while holding fast to differentiation and specificity, we cannot afford to forget the over-determining effects of the colonial moment, the ‘work’ which its binaries were constantly required to do to *re-present* the proliferation of cultural difference and forms of life, which were always there, within the sutured and over-determined ‘unity’ of that simplifying, over-arching binary, ‘the West and the Rest’” (249).

## Mainstream representation of questions of poverty and education

*Not One Less* won the Golden Lion Award at the Venice Film Festival in 1999. The director Zhang Yimou claims that the film is a “sub-documentary.”<sup>6</sup> The storyline is simple: in a desolate primary school in rural China, a 13-year-old girl is assigned the task of keeping watch over the kids in school, and will be awarded a salary and bonus of 60 yuan (US\$7.50) if she can ensure “not one less” of the kids remain in school by the time the regular teacher comes back. When a 9-year-old boy runs away from school to find a job in the city because his mother is very sick and the family needs money, the girl teacher goes to the city to recover him. Initially meeting the indifference of city folk, but eventually assisted by the director of the TV station, she is put before the TV camera, and speaks in front of tens of thousands of viewers, her tears flowing freely, pouring out her anguish, and calling to the boy to come home. The film ends with a TV crew escorting the girl and the boy back to their rural home.

The film received a lot of applause for its “moving” story. The image of the central figure of the girl has triggered affection from a large audience in the West and within China itself. She is portrayed as persevering with an unyielding spirit to complete her mission. However, with all her exertions, taking her to the limit, she seems to remain very much the same self, not in any significant way transformed by her hard-won experience which only restores to her the power of her “natural” instinct as a woman. While her efforts are presented as somewhat blind, her perseverance is allowed to last long enough for the fortunate encounter with the TV station director to take place, so that the bitter suffering can finally be relieved and sweet joy be generously on the offer. Here is painted a happy encounter between the blind stubbornness and yet helplessness on her own in the figure of a rural teenage girl on one hand, and the sympathetic and superior strength of urban potential residing in a cold sea of indifference in the figure of a male patriarch holding power and resources in his hand. It is no accident that a village girl is made to stand for a value characterized by stubbornness and helplessness, while a mature urban male in a position of power is made to stand for kindness and responsibility. It is also no accident that the accessibility to such a benevolent force is to be dependent upon chance encounter. It unwittingly betrays certain unequal relations prevailing in Chinese society, which the film seeks to cover up by portraying the girl as unchanged by her unsettling experience, which is given a self-healing power at the end of a fairy-tale-like journey.

The peasant figure of the girl when she comes on stage is a combination of cultural inferiority of the traditional past and the vulgarity of the drive for money under the Reform era. She is a substitute teacher not out of any commitment to

6 Zhang Yimou told the screenwriter Shi Xiangsheng: “the effort is to present ‘crudeness’, ‘crudeness’ not only in the behaviour and language of the characters, but ‘crudeness’ also in the storyline”; “the film should capture the most natural, the most original thing, because only the most natural, the most original thing is touching” (Shi 1999, 15, 17).

education, she is quite uneducated herself for she cannot do the sums or even sing. Her initial stubbornness is to defend the 60 yuan – not one yuan less. The story continues with a diluting of her self-interest and an extension of her role as a woman. She is destined to compensate for the shortcomings of other women: the boy's mother is bed-ridden with illness, and the boy's female relative in the city is indifferent and selfish. Hence, the plight of a helpless, vulnerable boy conjures the great maternal-like love from the girl teacher to go on the testing journey of search.

The change from selfishness to altruism in the girl happens in ambivalence, which does not require any explanation because it is premised on a woman's "natural" instinct and role. At the same time, her image continues to bear the imprint of the ignorance and idiocy of an imagined peasant/woman/juvenile. Her bullying stubbornness dominates the first part of the film, when she prepares for her trip to the city: she forces every school kid to empty their pockets; she takes pupils to unwanted labour moving bricks around in the brick factory, and compels the factory owner to pay her a sum to get them to go away; miscalculating that she has enough for her bus fare, she buys two Coca-Colas for all pupils to share a sip of this modern luxury item; then short of the bus fare, she tries to cheat by taking a free ride. The search bills she writes to describe the lost boy are illegible and totally useless, and are blown away by the wind when she dozes off in the street. All her acts are presented as blunt and rash, but because she is totally unaware of her own limitations and the environment she is in, she demonstrates a fierceness to pursue her aims. The happy ending is the result of pure luck – an encounter with a man of power.

The seeker for help has physical strength but no wisdom or knowledge. She is a young woman from poor rural China. Indeed, as Zhang Yimou said, the selling point of the film is the "crudeness" of the character, the language, the plot. The girl's "crudeness" evokes certain fixed views and habitual cognitive and affective modes, and complies with conventional discrimination and prejudices. The pity that is evoked is the pity that the superior hand out to the "weak": the giving from men to women, from the adult to the young, from the city folk to the peasants, from the rich to the poor, from the literate to the ignorant, from the advanced regions and countries to backward China. The giving is unilateral: its premise and its effect are the acknowledgement and acceptance of "gaps," normalizing differential social relations. There is no possibility for opening up new relationships.

Yet, the film seems to be able to "move" people. This works by turning some values defining humanity on the basis of a certain model of being human into original, universal values which are the basis both for persuasion and for propagation. With this as the premise, questions and solutions are put forward unquestioningly in a global fashion. In the film, poverty and the rural are presented as identical, on the basis of the stereotypical representation of rural China as backward, that is, lagging behind the stage of development of the "developed" countries. Education is believed to be the remedy to break the fateful identity and give a future to the children; philanthropists may give money and material goods to ensure rural children go to school, and problems may be resolved.

If the viewers are moved by the narrative of the film, or if the viewers believe they are approaching the “reality” of rural China, then it is not only due to the deliberate guidance of the film, but also because the viewers entertain certain habitual ideas about the rural, about women, about poverty and backwardness, and such ideas echo the images and abstractions presented by the film. At unawares, the viewers accept some habitual cognitive or affective modes as part of “reality.” While the film appears to be leading viewers along with a concern for questions of poverty and education in rural China, it in fact evades a direct confrontation with questions of poverty and education, but serves to naturalize ideas and imaginations with regard to poverty and education that play a part in shaping modern subjects divided and polarized among themselves. Contradictory, complex tensions are simplified into a straightforward storyline; the complex relationships implicated in questions of poverty and education are filtered and presented as unequivocal, abstract themes; images that appeal to the senses and feelings are articulated with abstract concepts that are habitually disseminated by words deployed in constructing the “reality” while triggering habitual cognitive and affective modes.

In other words, everything works at calculated and habitually fixed levels. Nothing fundamentally undermines the habits and the world of the giver, the “us,” or interrogates the relationships between “our” habits, “our” world and “their” dilemmas. For the urban elite (the “us”), the rural (the “them”) is uncultured, a force of darkness to be feared or avoided. Or, the difference between the rural and the urban is not presented as opposition, but as a not insuperable gap: the rural lacks something that the urban elite already possesses, but “we” can help “them” acquire it and “they” may approach “us” and may even one day become “us.” Here, the difference between the urban and the rural, and between the rich and the poor, is read as something lacking as well as threatening in “them.” Affirmation of “us” is made possible by the appropriation of “them.” “We” may be genuine in sympathizing with them, offering assistance to them, yet amidst the arousing of good intention and well meaning, there is also an unacknowledged stirring of disavowal – the “them” world reflects one’s own “poverty,” some lost value. Indeed, the constituting of “them” as lacking in what we possess is made possible by what we allow ourselves to forget and be blind to, and the film is illustrative of the arrogance of the “us” world.

*Not One Less* thus does not pursue the following questions: What kind of complex relationships and institutions dominate the world of poverty? How do the “common people” live and nourish their strength in such dominant relationships and institutions? How can we lay aside our habitual abstract ideas of poverty and education, look at the question of subjectivity from the mode of living of the poor, and rethink the relationship between the existing education system and the logic of polarization? How can we reflect on our own positioning, interrogate the self righteousness of the urban elite, and learn to approach the other and enter a world of uncertainty and ambivalence?

It is necessary for us to give attention to the local specificities and complex relationships so as not to be easily swayed by the binary oppositions underlying the mentality of othering shaped by modernization. Certainly, the forces that

account for situations of poverty are global in character, particularly under the intruding influence of globalization. However, these forces can only operate via institutions and people inhabiting specific localities. This gives the problem of poverty specificities that cannot be addressed in any proposed general solution. As long as prevailing common sense is congealed in binary oppositions that shape the modern subject, the concrete situation of poverty as a result of the complex intertwining relationships between global forces and local institutions and local people cannot be usefully grasped. Yet without understanding the specific complex relations involved, meaningful participation by the people themselves to deal with the problems in their specificities is not possible.

It is thus our responsibility to redeem gestures that can disrupt the representational closure, operated by accepted truths produced and framed by a system of binary oppositions, which is responsible for the congealing of the mentality of othering.

### **The diminishing of the self**

Felix Guattari, in *The Three Ecologies*, argues that the intense use of modern science and technology in modern development not only ravages the Earth and upsets the ecological equilibrium that brings about increasingly intractable and unpredictable revenges from Nature, the modern self is also increasingly diminished:

Alongside these upheavals [the ecological disequilibrium], human modes of life, both individual and collective, are progressively deteriorating. Kinship networks tend to be reduced to a bare minimum; domestic life is being poisoned by the gangrene of mass-media consumption; family and married life are frequently 'ossified' by a sort of standardization of behaviour; and neighbourhood relations are generally reduced to their meanest expression ... It is the relationship between subjectivity and its exteriority – be it social, animal, vegetable or Cosmic – that is compromised in this way, in a sort of general movement of implosion and regressive infantilization. (Guattari 2000, 27)

In contrast to the ravaging of the Earth, made possible by the subject/object divide in the modern form of knowledge, a polarizing relation that Martin Heidegger calls the turning of the world into a world picture by the representational subject,<sup>7</sup>

7 Heidegger, in his critique of modern science, writes this: "Knowing, as research, calls whatever is to account with regard to the way in which and the extent to which it lets itself be put at the disposal of representation. Research has disposal over anything that is when it can either calculate it in its future course in advance or verify a calculation about it as past ... Nature and history become the objects of a representing that explains... Only that which becomes object in this way *is*—is considered to be in being ... This objectifying of whatever is, is accomplished in a setting before, a representing ... We first arrive at science as research when and only when truth has been transformed into the certainty

the Andean culture shows a very different mode of relating to Nature, the others and the self. The following is a quotation from Grimaldo Rengifo, a member of PRATEC:<sup>8</sup>

If the world, like the Andean one, is constituted by persons and not by subjects and objects, its members are not interested in “knowing” the other, because they do not see the other as a thing or even an object and also because they are not interested in acting upon it and transforming it. The focus is on mutual attunement ... for inasmuch as mutual conversation flowers, nurturing flows. Dialogue here does not end in an action that falls upon someone, but in a reciprocal nurturing .... One converses with the mouth, the hands, the sense of smell, vision, hearing, gestures, flowerings, the colours of the skin, taste of the rain, the colour of the wind, etc. Since all are persons, all speak. The potatoes, the llamas, the human community, the mountains, the rain, the hail, the *huacas* [deities] speak. Language is not a verbal representation which encapsulates the named person .... The word makes present the named one, it is not, as it is said, a representation. (Apffel-Marglin and PRATEC 1998, 26)

Eduardo Grillo, another founding member of PRATEC, says: “conversation engages us vitally; one converses with the whole body. To converse is to show each other reciprocally, it is to share, to commune, to dance to the rhythm which in every moment corresponds to the annual cycle of life” (32).

Walter Benjamin also says something similar with regard to the relation between the decay of experience and the processes of modernization. According to John McCole’s reading, the decay of experience refers to the imprisonment of the self in the sphere of the “immediate experience (*Erlebnis*),” which is linked to “an underlying change in the structure of the labour process.” Benjamin’s understanding of the decay of experience in the form of the truncation of immediate experience is contrasted to the form of experience embodied in storytelling which is depicted as “a medium for exchanging and transmitting experiences.” Benjamin’s word for “experience” is *Erfahrung* which McCole renders as “an accumulated stack of integrated, ‘lived’ experiences.” (McCole 1993, 272) Thus the two forms of experience constitute a chain of actions on one another, accounting for the openness and richness of the intersubjectively constituting character of experience.

of representation. What it is to be is for the first time defined as the objectiveness of representing, and truth is first defined as the certainty of representing, in the metaphysics of Descartes (Heidegger 1977, 126–7).

8 PRATEC, the Andean Project of Peasant Technologies, was formed in 1987 by a group of intellectuals in Peru who de-professionalized themselves from expertise in development according to the western paradigm, and took up the project of learning from and helping regenerate the Andean agriculture and culture.

However, with the intensification of modernization,

factory work and street life foster a very different structure of experience, organized around the parrying of shocks, which favors a quick-wittedness that seals off that ‘process of assimilation in the depths’ on which integrated memory and storytelling depend. Similarly, modern forms of communication broadcast discreet items of information, but the demands of ‘freshness, brevity,’ and prompt consumption work against their assimilation. As a result, *Erlebnis* thrives at the expense of *Erfahrung*. In other words, the exclusivity of the two sorts of experience is socially constructed and historically variable, not a flaw built into the nature of things. Some forms of social organization facilitate a fusion of the two, whereas others encourage fission. (McCole 1993, 275–6)

In other words, the diminishing of the modern self is a consequence of the expansive character of the capitalistic venture of seeking control and domination over its other in the use of science and technology for the promotion of the capitalistic organization of social production and social consumption. Thus, in order to have effective pragmatic intervention into the diminishing of the self which in turn lends itself to the legitimation of the violences of the modernization processes, the processes of modernization in China need to be read as being inextricably implicated in the “Integrated World Capitalism” (Guattari 2000, 47). This means modernization cannot be understood as merely a domestic solution for domestic problems. It has to be read, as Stuart Hall argues, together with the movements of colonization and globalization.<sup>9</sup>

In the face of what Guattari describes as the mass-media homogenization and the shaping of new types of individuals by the unseen pressure of market forces, manipulated through the production of a collective, mass-media subjectivity, resistance may be located in practices constituting a difference to the “dissemination” and “over-determination” (Hall 1996, 249) effects of globalization.

After 1978, China’s advent of the Reform and reiteration of four modernizations signaled a shift from anti-West discourse to a more pronounced path of incorporation into “global citizenship” by treading along the path spearheaded by the West. While the previous authoritarian order seems to be disintegrating or receding in many facets of social and economic life, and atomization and social polarization have taken the place, the deep-rooted cultural practice of embodying the institutionalized public authority in specific individuals (the patriarch) still predominates, showing the prevalence of the hierarchical structure in all levels

9 “‘Global’ here does not mean universal, but it is not nation- or society-specific either. It is about how the lateral and transverse cross-relations of what Gilroy calls the ‘diasporic’ (Gilroy 1994) supplement and simultaneously dis-place the centre-periphery, and the global/local reciprocally re-organize and re-shape one another” (Hall 1996, 247).

of the social body of China. Insertion into globalization does not necessarily imply the disintegration of the hierarchical structure; rather, centres of power are multiplied in the place of the centre that once had overall command. Such centres are conducive to the continued instrumentalization of the people by reducing the people to an instrument of production for the development of world markets in the exchange of profits. Such instrumental relations to the outside cannot really offer any effective resistance to the “West.”

In China’s trajectory of modernization, the common folk, unlike the figures of abstraction such as those in *Not One Less*, have to combat and negotiate the consequences and effects of processes of globalization that are mediated through local networks of power relations and institutions. Their everyday negotiations, inevitably appearing to be fragmented or incoherent, may contain elements made possible as well as confined by the context they are embedded in. It is important to make sense of such innovative resistances emerging from the people in the face of the mediating effects of globalization. The alternative logic construed in thinking and in action cannot be divorced from the local sites which are embedded in a complex web of agonistic or contesting power relations, but such innovative responses and initiatives illuminate possibilities of different forms of agency in the pursuit of self-organization as a group or a community, beyond the confines of imagination allowed by the mentalities and practices of globalization.

### **Alternative representation of “traditional” practices**

For a glimpse of such a possibility, let us examine the case of Heilongtan (Dark Dragon Pond) in Yulin County, Shaanxi Province.

Folk legend has it that a Dark Dragon inhabits a natural spring and gives its blessing to this area where rainfall is a mere 300 mm a year. For several centuries, the Dark Dragon Temple had received tributes from pilgrims. However, in 1966 during the Cultural Revolution when Red Guards smashed the temple, the spring was reported to have stopped giving water. In 1980, when villagers organized a performance at the river bank, the spring was said to have revived. Nine villages in the vicinity of the Dark Dragon Pond took part in renovating the Temple in 1981 and organizing the rituals, and the site now attracts 200,000 visitors every year. Voluntary contributions to the temple by villagers and visitors amounted to a million yuan a year after 1995. This wealth has been used by the communities in social investments such as installing TV transmission stations, setting up scholarships for distinguished or poor students, building a secondary school, renovating several primary schools, sponsoring adult education, opera performances, sports activities and an old people’s club, and working on infrastructure for agriculture such as irrigation, roads and electricity. All this was done by villagers outside of the government administration.

The Dark Dragon Pond experience is significant not only in the way folk culture plays a role in the organizing of life in the community, it is also well known for its environmental concerns. Since 1988, the cultivation of a good variety of trees

to preserve and develop various species over an area of 300 acres in this arid hill area has been conducted without any subsidy from the government but with contributions to the Temple, voluntary labour and advice from experts. This has drawn domestic and international attention (Luo 2000, 210–28, 255).

The Dark Dragon as the guardian of the community stands for the well being of each and every member of the community, yet without representing them the way the Party claims to represent the people. It is not an agent like the Party that can do things in the name of the people. The public authority it has over the people is more like an empty space receptive of projections, visions and discourses addressed to it for directions in the safekeeping of the well being of the community and the well being of individuals understood as rooted in the community given meaning by the folk beliefs in the Dark Dragon. This makes the authority of the Dark Dragon dialogic and collectively grounded. It further means that people tied to the Dark Dragon, not simply as visitors coming as an individual in oneself for one's own interests, are also tied to the habitat of the Dragon and the community that claims to be its protégé. Thus it is more likely that the actions of the authority of the Dark Dragon mobilize forces of preservation rather than the relentless forces of modernization destructive of traditions and communities under the sway of processes of globalization. What the Dark Dragon guards, against the blind adherence to globalization, is the languages, knowledges and experiences of sustainable livelihoods organically linked to the habitat from which they emerge. Yet, the larger-than-life form of authority delegated to it by the people allows it to emerge from among the people in the form of an empty space that can only be operated dialogically within the boundary of a collective. For any resistance to globalization to be meaningful, this sort of phantom of the public must be recognized and respected.

The empty space maintained by this form of public authority makes possible the dialogic character of the collective cohering around it, and the dialogic character in turn guards against its usurpation by any patriarch or being turned into private property serving only private interests. What we see here is the potential of “traditional” cultural practices in resisting the complicity of hierarchical social structures with the pursuit of modernization inscribed in the discourse of orientalism. However, it must be pointed out that the potential of “traditional” cultural practices does not lie in some sort of essential attributes ascribable to it, but rather depends upon its insertion into a social space shaped by the relations of forces involved in the pursuit of modernization. That is, its potential lies in the displacement from the hierarchically structured context it once was embedded in into a different configuration of hierarchical relations of forces that is discontinuous with the old forms of power, bringing about their disintegration. The severing from the disrupted system of power opens up an empty space, on one hand. On the other hand, its being seen as still bound up with traditions at variance with the making of a modern state, the empty space opened up is not open to usurpation by the place of the patriarch in the name of the people of modern China as long as it can find a niche in the pores of the system of power defining the contours of its context.

The production and consumption of representation, as a discursive formation, are only possible from a certain subject position given in a network of power relations. Thus, the concern with representation is the concern with its subjectifying effect and its complicity with the forces of subjectification in the service of “Integrated World Capitalism.”

However, the self-critical concern with the complicity of critical practices is far from a negative criticism, but rather a local criticism in search of an escape route from the web of relations that inevitably brings about one’s complicity. The reading of the Dark Dragon example is a practice of local criticism of a specific action in a specific context, such that the displaced “traditional practice” analysed is never meant to be represented as a model, but rather as an example of innovative initiatives from the grassroots in freeing themselves from dependency on a power, be it political authority or expert knowledge produced independently of their lives, imposed on them from the outside. In this connection, Gustavo Esteva and Madhu Suri Prakash have offered us in their book *Grassroots Postmodernism* a second thought on resistance.<sup>10</sup>

### **Rural reconstruction—different forms of agency**

A second example I would like to examine is the possibility of different forms of agency in resisting the Chinese “dream” of becoming a “modern subject,” that is, resistances in thinking and practices to forces that seek to transform and marginalize the “rural” in the pursuit of modernization and economic development. In fact, in view of the experiences of the majority of the people, particularly the rural population, such resistances should be not only common, but also a conscious undertaking. The fact that this is not the case reflects that the “rural” is not at all disinfected from the mentalities and practices of globalization, and is as much embedded in the contradictions and dilemmas churned out by the desire and fear of the power of globalization. Hence, “rural reconstruction” as a movement to resist becoming the agent of the “global project” (Esteva and Prakash 1998, 16) is first of all a response to experiences that cannot embrace as unproblematic the representation of modernization as progress, and progress as the universal good for all. Furthermore, such responses are not simply actions directed against external processes initiated by the global project. They must also be problematizations that interrogate the underlying conditions of complicity lending support to the

10 In their criticism of global resistance directed against a centre, be it a state, a national government or an international institute and the like, they quote a remark from some old Mexican politician: “What resists, supports,” a metaphor taken from engineering: resistance of materials made for sound construction. Instead of following the usual footsteps of confronting global forces in the face, they argue for learning from the wisdom of local practices resulting in the irrelevance of dominating global forces: “Gandhi’s radicalism lay in the philosophy and praxis of simply *ignoring* British ‘power’ – its laws, its technology, its industry. Turning away from political structures that weaken ‘the people’, he moved the struggle for power to spaces where they can exercise their capacities for self-rule; governance that renders redundant rulers ‘on top’” (Estevo and Prakash 1998: 30).

construction of the modern as the necessary universal truth. Hence the agenda of the rural reconstruction movement that has been taken up in China, in a conscious manner for almost a decade, points to the shaping of a self and a collective that not only deals with the damages of globalization, but attempts to chart a different trajectory of “development.”

The discourse of progress together with the knowledges, technologies and practices regarded as both the results and the conditions of progress, relegate the “rural” to the margin with the help of a series of binary pairs. Thus the “rural” is represented as backward, traditional, ignorant and poor (as in the film *Not One Less*), in contradistinction to the modern urban landscape and the modern subject, the vehicle of the dynamics of modern societies and city life. Such a prevalent view has even become common sense of the peasants, with the help of “the regime of representation” (Hall 1997, 232) and the practices carried out in the name of modernizing China that are increasingly destroying nature and those relations essential to the sustainability of rural livelihood among the peasants themselves and between the peasants and the soil. The detrimental effects of modernization on the peasants’ livelihood are threatening not only the survival of the rural population, but also their ability to claim an identity of which they can be proud. Hence, we witness the tendency among the rural population, particularly among the younger generation, to succumb to the fears and desires imposed on them, the threats and seductions from things represented as modern, resulting in what Stuart Hall describes as “the internalization of the self-as-other” (Hall 1992, 256). The elites who believe in emulating the West in transforming China into a modern world power are certainly recipients of benefits produced by the movement of capital for their support and cooperation. However, such benefits cannot be understood purely in material terms. They are interwoven with ways of seeing, thinking and behaving, in short, with a way of life inserted into their imagination and understanding by the colonizing force of globalization, what Felix Guattari names as the American way of life (Guattari 2000, 5–6). This partly explains the burst of an exuberance of a parvenu spirit represented in the extolling of the high GDP growth.

In the example of the Dark Dragon pond, we see how the rituals around the Dark Dragon are intimately linked to the empty space of authority in the community, and to the habitat of the Dragon and the villagers. In the example of rural reconstruction movement, we see how the rebuilding of self-reliance through reduction of dependence on chemical fertilizers, pesticides, cement, and the fluctuating forces of the market forms the core of the vision and practice of the rural reconstruction movement.

For today’s China, after the Reform of almost three decades, despite the metropolitanization of certain cities and the upward mobility of an emerging middle class catching up with the American way of life, 70% of the population remains rural labour or rural surplus labour that finds a subsistence by accepting exploitative working conditions in the cities. The term *sannong*, the Three Rurals – rural population (peasants), rural area (the countryside), rural production (agriculture) – has become a catchword in the last decade, with the central

authorities acknowledging the severity of the problems (Wen 2000, 2001). However, the dominant discourse, in the familiar line of developmentalism, sees the Three Rurals as an inevitable lagging-behind of some sectors in China's fast track for modernization. The blame is on the lack of education of the masses, the corruption and abuse of the bureaucracy, or the inadequacy of state policies in treating the peasants with equality.

In this context, a rural reconstruction project, in order not to be inscribed in the logic of developmentalism and in order to be part of the search for new alternatives, necessarily has to engage with the micro level in its attempt to counter destructive forces of modern development by Eurocentric standards and values. In its efforts to rebuild feelings of community as well as a community through collective learning towards taking care of themselves, its starting point is to work out a different path, often deviating from those of the ruling elites, from the western mode of modern development which is not only inappropriate to countries with a large rural population, but also incompatible with values such countries are able to conceive in the course of their histories that acknowledge the gift of nature with due respect. Hence, rural reconstruction involves two aspects: first, it assumes the subject position of marginalized peasants and peasant communities in re-scrutinizing the promises and failures of modernization, and resists making enunciations from the position of the ruling elite; second, it engages in the micro-politics of community rebuilding as an intervention into the present, allowing for the articulation of a forum out of processes that enable a multiplication of connections among the people in their interacting with one another.

Certainly, the desires of peasants are conveniently articulated to and by the persuasive homogenizing force in the shaping of a collective media subjectivity. The destruction of traditions or folk practices means that the peasants are made to rely on agrochemicals they have to pay for in cash. Instead of taking what is made available to them by nature in a pace authorized by nature in farming, they are now paying for fertilizers, pesticides and other modern industrial products to be used in farming for the boosting of productivity. The problem is that the peasants can never get enough return for paying back the investment in farming. In other words, to farm is to be in debt. The ruthless path of modernization in China is also the trajectory of the "downfall" of the peasants. First, they are forced to depart from a relation of holding Nature in awe, praying for a protection of their livelihood from Nature, to a relation of plundering and destroying Nature, praying for a high yield and a better market price. Then, they are forced to seek work in the cities in large numbers, subjected to scandalous exploitation. Yet, their sufferings are not caused by a few unscrupulous businessmen overwhelmed by diabolic greed, but by an assemblage of various things, distributed across the world in different regions, on different levels that makes possible the condition of being subjected to a state of emergency as a rule. It calls for a flight from the logic that seeks to turn contingent encounters into institutions of domination. Rural reconstruction is just such an effort in China.

In July 2003, the James Yen Rural Reconstruction Institute was set up in a village in China as a collaborative effort by villagers, scholars, eco-architects, and

a large number of young volunteers and university graduates.<sup>11</sup> The project is to limit the damages of modernization and urbanization, to reverse the drainage of resources out of the rural, and to remobilize human and material resources for the rebuilding of the rural. The rebuilding of the cells, the cultural cells, of the rural community is crucial. This implicates not the building of more roads to facilitate so-called urban-rural access, or more schools to imbue modern selves with modern education. Such infrastructure has often led to further drainage of rural resources, has lamentably been part of the project of the modern nation state or foreign-funded nongovernmental organizations, and is often the contributor to further rural degeneration, disintegration and poverty. Rural reconstruction is a cultural project in the sense that, taking a critical stand on modernization and developmentalism, it takes an alternative philosophy of life and ecology, of human interaction and values. And in practice, it pursues the question of sustainability beyond the confines of technological concern, by seeking to rebuild cooperation within and among local groups so as to forge interdependence among the people in the local level as a way of freeing oneself from dependency on a global system that is to a larger and larger extent dictating people's way of living. Hence this movement is, to those unwilling even to take a second look at their vested interest, a counter move to the centralization of power and the relentless pursuit of insatiable desires, that is, it is a threat to those who believe themselves to have everything to gain from becoming a member of the world market.

Paraphrasing the wisdom of the Andean culture, "rural reconstruction," as a response to modern western development unleashed with the opening of the Pandora's box of human desires manufactured by the "possessive individualism" of capitalism (Macpherson 1962), is a turning towards reciprocal nurturing, away from unequal relations of dependency on forces imposed from outside and above, a turning towards the autonomy of self-management away from "systems of representation" that institutionalize a hierarchical political order.<sup>12</sup>

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12 Cf. de Certeau's critique of "western democracy" by way of a reading of the cultural practices of American Indians in "The Politics of Silence."

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**Part V**

# **Cultural Economies**

# 12 The vernacular economist's guide to media and culture

*Toby Miller*

It's best to begin by clearing our minds of (c)(K)ant. Rather than being two distinct sectors, the economy has always been sodden with media and culture, and *vice versa*. For culture derives from the Latin word “colare,” which implies tending and developing agriculture. With the emergence of capitalism, culture came to *personify* instrumentalism, at the same time as negating it. On one hand, there was the industrialization of agriculture; on the other, the tutoring of individual taste. German, French, and Spanish dictionaries of the eighteenth century testify to a movement of the word “culture” in the direction of spiritual cultivation as well as animal husbandry. And with the spread of literacy and publishing; the advent of customs and laws that were administered and understood through the printed word; and the peripatetic demography occasioned by capital's urbanization, cultural texts supplemented and supplanted physical force as sources of authority. When the Industrial Revolution moved populations to cities, food came to be imported, and new textual forms were exchanged for both practical and entertainment purposes. Along came a society of consumers, and an art world. There was a corollary in labor terms: *poligrafi* in fifteenth-century Venice and hacks in eighteenth-century London emerged, penning popular books about correct conduct – instructions on daily life. Thus began a division of cultural labor in the modern sense (Benhabib, 2002; de Predo, 1991 and 1999; Briggs and Burke, 2002).

Culture has usually been understood in two separate registers, via the social sciences and the humanities – truth versus beauty. It has been a marker of differences and similarities in taste and status. In the humanities, cultural texts were judged by criteria of quality, as practiced critically and historically. For their part, the social sciences focused on the religions, customs, times, and spaces of different groups, as explored ethnographically or statistically. So whereas the humanities articulated differences *within* populations, through *symbolic* norms (for example, which class had the cultural capital to appreciate high culture, and which did not) the social sciences articulated differences *between* populations, through *social* norms (for example, which people cultivated agriculture in keeping with spirituality, and which did not) (Wallerstein, 1989). This fed into the Cartesian dualism separating thought from work, which held that “the intelligent and the corporeal nature are distinct” (Descartes, 1977, 34). David Hume, for example, referred to two philosophies of “human nature”: one focused on life

“born as action,” the other “a reasonable rather than an active being” (1955, 15). This binary has played out in the study of culture through an opposition drawn between society and economy versus audience and meaning.

But even 80 years ago, Thorstein Veblen referred to US universities as “competitors for traffic in merchantable instruction,” and he recognized the importance of the “industrial arts,” i.e., knowledge/culture bracketed in a way that compromised this dualism (quoted in Pietrykowski, 2001, 299 and Schiller 1996, 162). And the canons of judgment and analysis that once flowed from the humanities-social sciences bifurcation over approaches to culture (and kept aesthetic tropes somewhat distinct from social norms) have collapsed in on each other. Art and custom have become resources for markets and nations (Yúdice 2002, 40) – reactions to the crisis of belonging, and to economic necessity. As a consequence, culture is more than textual signs or everyday practices (Martín-Barbero, 2003, 40). It is also crucial to both advanced and developing economies, and provides the legitimizing ground on which particular groups (e.g., African Americans, gays and lesbians, the hearing-impaired, or evangelical Protestants) claim resources and seek inclusion in national narratives (Yúdice, 1990).

Whereas rights to culture did not appear in many of the world’s constitutions until well into the twentieth century, contemporary charters emphasize it again and again. The meaning is generally a double one, blending artistry and ethnicity, with implications for both aesthetic and social hierarchies. Culture has come to “regulate and structure . . . individual and collective lives” (Parekh, 2000, 143) in competitive ways that harness art and collective meaning for social and commercial purposes. So the Spanish Minister for Culture can address Sao Paolo’s 2004 World Cultural Forum with a message of cultural maintenance that is both about development, almost in the traditional economic sense of the term, and the preservation of identity – a means of economic and social growth and of cultural citizenship, understood as a universal value placed in the specificity of different backgrounds (“Foro Cultural,” 2004). But this is not some teleologically unfurling tale of functionalist progress, with culture an emerging integrative norm. It has been a site of real contestation, as per the US civil rights movement, opposition to the American War in Vietnam, youth rebellion, China’s Cultural Revolution, and Third World opposition to the exporting of corporate culture (Schiller, 2007, 19).

This simultaneously instrumental and moral tendency is especially important in the United States, which is virtually alone amongst wealthy countries, both in the widespread view of its citizens that their culture is superior to all others, and the successful sale of that culture around the world. The United States has blended preeminence in the two cultural registers, exporting both popular prescriptions for entertainment (the humanities side) and economic prescriptions for labor (the social-sciences side), even as their sender displays a willful ignorance of why the rest of the world may not always and everywhere wish to follow its example, despite consuming its pleasures (Pew Research Center for the People & the Press, 2003; Miller *et al.*, 2001 and 2005; Carreño, 2001, 22).

In 1996, cultural-industry sales (of film, music, television, software, journals, and books) became the United States’ largest exports, ahead of aerospace,

defense, cars, and farming. Between 1977 and 1996, US copyright industries – as that country likes to call them, overwriting the term “culture” and ensuring comprehensive governmentalization and commodification – grew three times as quickly as the overall economy. Between 1980 and 1998, annual world trade in texts from the cultural industries increased from US\$95.3 billion to US\$387.9 billion. In 2000, services created one dollar in seven of total world production, and US services exported US\$295 billion, while the nation had 86 million private-sector jobs in this area, generating a US\$80 billion surplus in balance of payments at a time when the country relied on trade to sustain its society and economy. Under export-oriented industrialization, with manufacturing going offshore in search of cheap labor, culture became a crucial sector. The requirement to drop import-substitution industrialization in favor of exports has clearly stimulated US cultural production, as the economy adjusts away from a farming and manufacturing base to an ideological one. It now sells feelings, ideas, money, health, laws, and risk – niche forms of identity. Culture clearly resides at “the systemic core” of contemporary capitalism (Office of the US Trade Representative, 2001, 1, 10, 15; Schiller, 2000, 101).

But it seems to me, an opinionated outsider, a vernacular economist, let us say (I somehow completed two graduate-level classes in the 1980s on labor and micro economics), that within *bourgeois* economics, culture has been a side-bar to the main theoretical and applied business of rent-seeking academics, who are preoccupied with the theorization of econometrics and rational choice, or the measurement of manufacturing, agriculture, and finance. Economic attention to the arts, sport, and audiovisual entertainment has been scant, although there is a predominantly neoclassical/abstract-empiricist Association for Cultural Economics, which publishes the *Journal of Cultural Economics*, and dutiful foot soldiers of capitalism and Friedmanite reductionists are littered through the United States and international communications bureaucracies. When I attended a 2003 academic conference on the economics of Hollywood at “a large university in the mid-West,” every paper from the scions of business and economics faculties focused on one topic, and one topic alone – how firms could increase their revenues and diminish their risks. I felt like a fossil that had been invited to walk the earth one more time amongst these very contemporary handservants of capital. The goal of neoclassical media economics is to organize resources in order to create capitalist goods. In this view, there are three legitimate actors: consumers, companies, and the state (see Doyle, 2002, any issue of the *Journal of Cultural Economics*, or Heilbrun and Gray, 2001). On the other hand, much Marxist analysis has excluded the cultural sector as “unproductive.”

Media studies has been dominated by three key topics, with varying degrees of relevance for, and incarnations of, economics:

- ownership and control,
- content, and
- audiences.

Within these categories lie several other divisions:

- Approaches to ownership and control vary between neoliberal endorsements of limited regulation by the state, in the interests of guaranteeing market entry for new competitors, and Marxist critiques of the *bourgeois* media's control of the agenda for discussing society.
- Approaches to content vary between hermeneutics, which unearths the meaning of individual texts and links them to broader social formations and problems, and content analysis, which establishes patterns across significant numbers of similar texts, rather than close readings of individual ones.
- Approaches to audiences vary between social-psychological attempts to correlate audiovisual consumption and social conduct, and culturalist critiques of imported audiovisual material threatening national culture.

Consider this schema:

<i>ORIGINS</i>	<i>TOPICS</i>	<i>OBJECTS</i>	<i>METHODS</i>	<i>DISCIPLINES</i>
Global	Regulation, Industry Development	State, Capital, Labor	Political Economy, Neoliberalism	Engineering, Economics, Political Science, Law, Communications
US	Genre	Text	Content Analysis	Communications
Global	Genre	Text	Textual Analysis	Literary/Cultural Studies
US	Uses	Audience	Uses and Gratifications	Communications, Psychology, Marketing
Global	Uses	Audience	Ethnography	Anthropology, Cultural Studies, Communications
US	Effects	Audience	Experimentation, Questionnaire, Psychoanalysis	Psychology, Marketing, Communications, Freudianism

Media studies is a deeply contested domain, fractured by politics, nation, discipline, theory, and means.

Cultural studies is also a hybrid. Despite the dominant US discourse, it is not just a product of literature departments engaging in a partial make-over as students and young scholars favor increased social relevance. Historical and contemporary cultural studies of slaves, crowds, pirates, bandits, minorities, women and the working class have utilized archival, ethnographic and statistical

methods to emphasize day-to-day non-compliance with authority, via practices of consumption that frequently turn into practices of production, and are both imbricated with, and critical of, the prevailing social, economic and cultural order. For example, UK research on the contemporary has lit upon Teddy Boys, Mods, bikers, skinheads, punks, school students, teen girls, Rastas, truants, drop-outs and magazine readers as its magical agents of history – groups who deviated from the norms of schooling, and the transition to work, by generating moral panics. Scholar-activists examine the structural underpinnings to collective style, investigating how *bricolage* subverts the achievement-oriented, materialistic, educationally driven values and appearance of the middle class. The working assumption has often been that subordinate groups adopt and adapt signs and objects of the dominant culture, reorganizing them to manufacture new meanings. Consumption is thought to be the epicenter of such subcultures. Paradoxically, it has also reversed their members' status as consumers. The oppressed become producers of new fashions, inscribing alienation and difference on their bodies (Leong, 1992). The decline of the British economy and state across the 1970s was said to have been exemplified in punk's use of rubbish as an adornment: bag-liners, lavatory appliances and ripped and torn clothing.

In its attention to inequality and identity, cultural studies' reintegration of the humanities and the social sciences under the sign of socialism provided "a riposte to the mandarin prejudice of high cultural journalism and the facile classifications of market researchers" (Maxwell, 2002). But commodified fashion and convention were not exactly resting. Capitalism appropriated the appropriator. Even as the media set in train various moral panics about punk, the fashion and music industries were sending out spies in search of trends to market. In the United States, the contemporary equivalent is Coca-Cola hiring African Americans to drive through the inner city selling soda and playing hip-hop – simultaneously hawking, entertaining and researching. This is the delightfully named "viral" or "peer-to-peer" marketing, characteristic of such campaigns as McDonalds' "365Black." It associates the company with civil rights via black athletes endorsing its "food" in commercials, and rap musicians receiving remuneration each time one of their songs referring to the company is played on radio, emulating Kanye West's "mentioning" 19 brands on 4 singles in 2004 – product placement most viral. Such campaigns are meant to distinguish McDonalds from the tokenism of Black History Month, in concert with new uniforms, designed in the hope that young African-American employees will wear them socially and make them stylish (McChesney and Foster, 2003, 12; Graser, 2005a and 2005b; MacArthur, 2005).

Virginia Postrel, then editor of the libertarian *Reason* magazine, and later a *New York Times* economics journalist, wrote a 1999 op-ed piece for the *Wall Street Journal* in which she described cultural studies as "deeply threatening to traditional leftist views of commerce," because its notions of active consumption were so close to the sovereign consumer beloved of the Right: "The cultural-studies mavens are betraying the leftist cause, lending support to the corporate enemy and even training graduate students who wind up doing market research." Consumption seemed to be the key to this mantra – with production discounted, labor forgotten,

the consumer sovereign, and government there to protect that sovereign. When I attended a 2002 Australian academic conference on the role of cultural studies in stimulating consumer-driven cultural policies, I felt like a fossil as per the neoclassical love-fest a year later. How did I get to be so antediluvian?

For some 1960s' sociological functionalists, and many of us in cultural studies, commercial culture does indeed represent the apex of modernity. Far from being supremely alienating, it stands for the expansion of civil society, the first moment in history when central political and commercial organs and agendas became receptive to, and part of, the broad mass of the community. New forms of life were necessitated by industrialization, and aided by mass communication. The entire population was now part of the social, rather than excluded from political-economic calculation. The number of people classed as outsiders diminished in mass society, along with the lessening of authority, the promulgation of individual rights and respect, and the development of intensely interpersonal, large-scale human interaction. The spread of advertising broke down social barriers between high and low culture (Shils, 1966, 505–06, 511; Hartley, 1998). In the words of Postrel, an apologist for the contemporary moment, “We citizens of the future don’t wear conformist jumpsuits, live in utilitarian high-rises, or get our food in pills.” “We” expect individually tailored, boutique capitalism (2003, 4–5). Or as George Orwell said 65 years ago, to “an increasing extent the rich and the poor read the same books, and they also see the same films and listen to the same radio programmes” (1982). But the change towards a popularly available array of stylistic choices and forms of social participation has been accompanied by a shift from building and acknowledging a national popular to technologizing and privatizing it. For once all classes have been incorporated into society, the problems and promises they bring with them must be governed by technical forms of knowledge and systems of commodification (Martín-Barbero, 2003, 38).

Despite its roots in the interests and identities of subordinated groups, some powerful strands of cultural studies in the 1990s lost political economy as their animator, transmogrifying into academic mirrors of the post-welfare state, and implicitly advocating neoliberalism. All-powerful customer-consumers (invented and loved by policy-makers, desired and feared by corporations) and all-powerful creator-consumers (invented and loved by cultural studies, tolerated and used by corporations) were said to be so clever and artful that they made their own meanings, outwitting institutions of the state, academia, and capital that sought to measure and control them. This exclusion of labor, or at least its conceptual subordination, has a storied history (Schiller, 1996, 153). When cultural studies made its Atlantic crossing, there were lots of not-very-leftist professors and students seemingly aching to hear that local audiences learning about domestic inequality, or parts of the world that their country bombs, invades, owns, misrepresents or otherwise exploits, was less important, and less political, than those audiences' interpretations of actually existing soap operas, wrestling bouts or science-fiction series. They even had allies amongst reactionary political scientists, who extolled the virtues of market-driven minimization of news, pared

down to the essentials: the survival and entertainment of audiences (Baum, 2002; Zaller, 2003).

This position was elevated to a virtual *nostrum* in some cultural-studies research into TV watchers and Internet users, who were thought to construct social connections to celebrities and others that subverted patriarchy, capitalism and other forms of oppression. The popular was held to be subversive because its texts were decoded by viewers in keeping with their own social situation. In other words, the audience was weak at the level of cultural production, but strong as an interpretative community, resisting consumer capitalism by rendering texts unusually. And this happy state of affairs grew happier yet with the Internet. We were told of women going online to incarnate new forms of female subjectivity, passing as something that would be difficult for them to do in social life. But consider this example: when *Wedding Crashers* (David Dobkin, 2005) was released, the film's site included a feature known as "Trailer Crashers," which permitted viewers to insert photographs of themselves into a template and be twinned with the body and hairdo of a star of their choice from the text (Marlowe, 2005). Was this an instance of active audiences able to resist capitalist encoding? Or one more incorporation of aberrant decoding into the norms and forms of Hollywood? This issue came to characterize two decades or more of research and teaching, in a way that fetishised text and reception. Questions of labor smacked of crude economism, of a Marxism left behind by world events and textual theory, mired in doctrines of false consciousness and censorious approaches to pleasure.

But much has changed since the Simple-Simon, academic-reader-as-hegemon narcissism that plagued US cultural studies through much of the 1980s and '90s, via professors earnestly spying on young people at the mall, or staring at them in virtual communities. Political economy has reasserted itself, as it always does. In Richard Maxwell's words, cultural studies began to "identify ways to link a critique of neo-liberalism and a cultural studies approach to consumption ... not by issuing nostrums against the pleasures of shopping but by paying attention to the politics of resource allocation that brings a consumption infrastructure into the built environment" (2002). This was exemplified by work done beyond Britain, the United States and their white-settler academic satellites (Israel, Australia, Canada, and Aotearoa/New Zealand). Arvind Rajagopal notes that because television, the telephone, the Internet, and the neoliberal are all new to India, "markets and media generate new kinds of rights and new kinds of imagination ... novel ways of exercising citizenship rights and conceiving politics" (2002). Similarly, for Rosalía Winocur, radio in Latin America since the fall of US-backed dictatorships has offered a simultaneously individual and social forum for new expressions of citizenship, in the context of decentered politics, emergent identities, minority rights and gender issues – a public space that transcends old ideas subordinating difference and privileging élite experience (2002, 15, 91–93). These are exemplary instances of work that understands the importance of material conditions in the formation of identity. The links to understanding cultural imperialism through the anti-colonial critiques of Aimé Césaire, Amílcar Cabral, Frantz Fanon, Armand Mattelart, Herbert I. Schiller, and Ariel Dorfman, which

animated both international political economy and cultural studies, have meant that the bifurcation of labor and culture, for all its sticky origins in Cartesianism, could not hold over time.

Clearly, contemporary media and cultural studies have their problems. Political economy draws our attention to patterns of proprietorship and managerial control, but it tends, ironically, to leave out work – the key place where value is made. Active-audience research draws our attention to patterns of uptake and response, but doesn't conceptualize them on a continuum with labor. Political economy misses moments of crisis and hope, presenting a subject-free picture with structure but no agency, other than shareholder maximization and managerial rationality. Active-audience studies miss forms of domination and exploitation, presenting an institution-free picture with agency but no structure, other than fan creativity and reader imagination. And in both neoclassical and post-autistic economics, a commercial relation is fundamental, with audience and labor quite separate. But consider electronic games, where fee-paying “players” are involved in the preparation of guides, walk-throughs, strategies, software modifications, counter-narratives, ideas for new games and much more – and sign away their intellectual property as they do so (Taylor, 2006, 155). Perhaps understanding media/culture economically “requires not one but two moments: the first centering on the media as sites of institutionalized cultural production, and the second on audience-members as producers who contribute to their own self-understanding” (Schiller, 1996, 194).

Socioeconomic analysis should ally with representational analysis. Historically, the best political economy and the best cultural studies have worked through the imbrication of power and signification at all points on the cultural continuum. Graham Murdock puts the task well:

Critical political economy is at its strongest in explaining who gets to speak to whom and what forms these symbolic encounters take in the major spaces of public culture. But cultural studies, at its best, has much of value to say about ... how discourse and imagery are organised in complex and shifting patterns of meaning and how these meanings are reproduced, negotiated, and struggled over in the flow and flux of everyday life (1995, 94)

Ideally, blending the two approaches would heal the “sterile fissure” between fact and interpretation, between the social sciences and the humanities, between truth and beauty – and do so under the sign of a principled approach to cultural democracy (Wayne 2003, 84). To that end, Lawrence Grossberg recommends “politicizing theory and theorizing politics,” combining abstraction and grounded analysis. This requires a focus on the contradictions of organisational structures, their articulations with everyday life and textuality, and their intrication with the polity and economy, refusing any bifurcation that opposes the study of production and consumption, or fails to address axes of social stratification (Grossberg 1997, 4–5, 9–10).

Media and cultural studies remain, as I indicated earlier, contested fields. This is in keeping with their interdisciplinarity, their doubts about the very notion

of settled knowledge and their unstable binarism of economy and meaning. With culture increasingly central to economic development as the First World deindustrializes and no longer has much to sell beyond services and weapons, this has led to an applied calculus, in addition to the traditional humanities *donnée* of critique. In the case of cinema/film studies, every student learns the ownership patterns of Hollywood. Unlike the literature major, they know who owns the companies that sell the materials they analyze, and they generally think it matters. And in the case of the creative industries, students' ideology-of-the-artist *bourgeois* individualism is tempered by a sense that policies and conglomerates stalk authors. The economic reductionism so abjured by cultural studies in the past is no longer sustainable as an alibi for dodging numbers and structures. Of course, the proclivity for interpretation, for single-text analysis, for the Romantic elevation of consciousness, for a hermeneutics of suspicion, for a notion of ethical incompleteness remain vibrant, even foundational, notably in the United States. But as the object of analysis undergoes multiple transformations, and becomes a force of material as much as symbolic power, attention inevitably turns to theorizing the economy and worrying about *textual* reductionism.

There is a complex future for media and cultural studies as they seek to understand the economy, because their chosen fields are not just flavorful and political, but financially crucial. One turn is towards the embrace of consumer sovereignty, and the rhetoric of creativity and cultural policy. Another is towards a more critical engagement. But there is no turning back, I suspect, to the Cartesian binary, to unalloyed (c)(K)ant. Instead, there is the world offered by Léopold Sédar Senghor, one where the “*reasoning-eye*” and the “*reason of the touch*” are indissoluble (1964, 73).

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# 13 Singing money

## Money in Brazilian and North American popular music

*Ruben George Oliven*

Popular music is a key instance for looking at everyday economic representations. In many countries, the majority of composers are men and they tend to use music as one of the few public spheres in which they allow themselves to speak more freely about their private feelings. They will sing about their weakness, their fear of losses, their sentiments towards women. Money tends to be a central theme in popular music. It is usually related to other themes like work, social inequalities, gender relations and love.

I compare songs dealing with money composed in Brazil and in the United States. These are, of course, very different societies and it is, therefore, interesting to compare them. They have in common the fact that they are “New World” societies located in the same continent. Both countries had native peoples when the European colonists arrived. They also had slavery until the second half of the nineteenth century. Whereas in the United States slavery was more concentrated in the South, in Brazil it was spread throughout the whole territory and for three centuries the economy was fully dependent on this mode of production.

The comparative research I have carried out about money in Brazil and in the United States (Oliven 1998) showed that in North American society money is considered less polluting than in Brazil where it is represented as something potentially dirty perhaps because of the huge social and economic inequalities existing in that country. Whereas in the United States people speak a lot about money, in Brazil people have a certain difficulty in talking about it.

Contrary to the North American work ethic, Brazil has no tradition of valuing work, mainly manual labor. Even after the abolition of slavery and introduction of wage labor in factories, work has never been very highly valued, because the social order has always been highly exclusive. Until the 1930s Brazil was an essentially rural society. When industrialization and urbanization started to become more important there was a strong reaction against working and the growing monetization of life, similar to the attitudes that could be found in the Old South of the United States prior to the Civil War (Ogburn 1964). At that time the *horror ao batente* (hatred of manual work) developed into *malandragem* (idleness) which can be seen simultaneously as a survival strategy and a conception of the world through which some segments of the lower classes refused to accept the discipline and monotony associated with the wage-earning world.

The negative side of labor is reflected in Brazilian popular music. During the 1920s, 1930s and 1940s, when an urban-industrial society was in the making in Brazil, *samba* composers used to eulogize idleness. *Malandragem* developed into a way of life and a way of regarding life. Instead of developing a work ethic, Brazilians were developing a *malandro* ethic (Oliven 1984).

The same composers who praised *malandragem* also depicted money as something ignoble, generally demanded by women who didn't understand that the men they were asking for it had something much more precious to offer them: their love. Of course one can see here a "sour grapes complex": knowing they would never make much money no matter how hard they tried, those men looked down at the *vil metal* (filthy lucre). On the other hand, in several of the lyrics of these songs one can notice that money is a reality from which one can not escape in an monetized society. But all of this is seen in a melancholic fashion. Nobody is happy to work. And money after all is very destructive: it ends love and friendship, and it invites falsehood and treason. As Noel Rosa, perhaps the greatest of all Brazilian composers of the 1930s, put it in the song *Fita Amarela (Yellow Ribbon)* in 1933: "I haven't got any heirs/ and I don't own a single penny/ I lived owing to everybody/ But I didn't pay anybody back." Or as another composer of the period, Wilson Batista, put it in a song composed in 1968 shortly before dying and called *Meu Mundo é Hoje, Eu sou assim (My World is Today, I'm like that)*: "I feel sorry for those/ Who squat until the floor/ Cheating themselves/ For money or positions/ I have never taken part/ In this huge battalion/ Because I know that besides the flowers/ Nothing else goes with you in the coffin."

The hegemonic musical genre in Brazil until the end of the 1950s was *samba*. The first composition to be registered with the name of *samba* was in 1917. Before that there was practically no music industry and no notion of musical copyright in Brazil. In the United States, music industry and musical copyright started earlier. In both countries, songs dealing with money also address themes like work, love and gender relations. Several songs produced at the end of the nineteenth century and beginning of the twentieth in the United States deal with money. *If Time were Money I'd be a Millionaire* (words by Felix F. Feist, music by Ted S. Barron, copyright 1902) is a good example:

A lazy coon a hangin'  
 'round heard Parson Jenkins say  
 "Dat time was money"  
 And it almost took his breath away  
 He never done a stroke of work  
 He was too big and strong  
 He'd stretch out in the boilin' sun  
 And sleep de whole day long

Of course he never had a dollar  
 In his tattered clothes

And didn't own a pair of shoes  
 To cover up his toes  
 De only thing he had  
 Was lots of time to pass away

And when he heard  
 Dat time was money  
 Dis is what he did say  
 If time was money  
 I'd be a millionaire  
 I've got time honey  
 An' chuncks of it to spare

Oh dere aint no other coon  
 Could get wealth half so soon  
 If time was money  
 I'd be a millionaire

Dis nigger was too lazy  
 Fo' to raid a chicken roost  
 Because he'd have  
 To lift his arm to give  
 His hand a boost

He nearly starved  
 To death one day  
 Fo' certainly because  
 He didn't have the energy  
 To move his lazy jaws

Dis coon was never sociable  
 It tired him to talk  
 If 20 mules would kick him  
 All at once he wouldn't walk  
 'An so a baskin in the sun  
 Dis nigger laid all day

A grinin', chucklin' to himself  
 An' dis am what he'd say  
 If time was money  
 I'd be a millionaire

The song was composed at a time when part of the North American population had already been mainstreamed into the idea that you have to be productive and that managing your time is part of this process. On the other hand, slavery had been recently abolished and there were people who were seen as unable to understand this logic. In the song, these are the ex-slaves not yet integrated into new forms of the productive process. The character of *If Time were Money I'd be a Millionaire*

is seen as a *coon*, that is, as a person who would today be called African-American, at the same time offensively and disparagingly associated with and synonymous of “a rustic or undignified person” (Webster 1994: 321). Apart from being lazy, he is seen as so naive that he is unable to realize the meaning of the proverb “time is money,” a central tenet of capitalist America. Since he does not work and seems to be happy with this situation he has all the time he needs and is led to believe that he is a millionaire. The way he is described is full of the prejudices that abounded in the United States at the time the song was composed.

There is an important difference between Brazilian and North American songs as regards race. Brazilian composers of the beginning of the twentieth century were frequently descendants of slaves and had an almost political stance by the fact that they quite consciously rejected work and the ethic associated with it (Oliven 1999). Whereas the character of *If Time were Money I'd be a Millionaire* is depicted as being stupid and incapable of understanding what a capitalist ethic means, more or less at the same time Brazilian Black composers made the eulogy of idleness and stressed that work was not dignifying. They assumed themselves as lazy and as having more noble things to do than to think about money. Laziness was taken up as a dignified attitude. Actually *Macunaíma*, the main character of one of the formative novels of Brazilian literature, published in 1928, who is the result of a racial mixture (White, Black, and Indian), is born lazy and is defined as “a hero without any character.” His main line is “boy, how I feel lazy” (“ai que preguiça”) (Andrade 1993).

Sloth as an inherited and inevitable trait of personality appears clearly in the samba *Caixa Econômica (Savings Bank)*, by Orestes Barbosa and Antônio Nássara, recorded in 1933:

You want to buy your peace of mind  
 Seeing me die in a job  
 Then afterwards you will enjoy  
 This very comical life  
 I am not a Savings Bank  
 That has interest to earn  
 And you want to buy what, huh?

You say that I am a bum  
 Because I do not go to work  
 I am not a check book  
 For you to cash  
 If you live peacefully  
 Always being very fashionable  
 Always on the first row  
 Pretending I am a ticket office  
 And you want to buy what, huh?

My grandfather died toiling  
 And my father, poor soul

Got tired working hard  
 That's why I was born tired  
 And speaking truthfully  
 I declare to the employees  
 That this laziness that I have  
 Is inherited from my ancestors

We have here an example in which sloth has become an inherited trait and is transformed into an ethic. The male character, possibly a grandson of a slave and son of a laborer, argues that work is useless for the lower classes. Laziness is seen as a hereditary trait, for which he is not responsible, and which he manifests at the time of his birth.

It is worth noticing that while in a song like *When You Ain't no Money Well You Needn't Come' Round* (words by Clarence S. Brewster and music by A.B. Sloane, copyright 1898, presented as “a novel ditty of a love-sick coon”) the demanding woman who pronounces the sentence that gives title to the song has the upper hand, in *Caixa Econômica*, although the female character is the element that drives the plot of this samba accusing the male narrator of being a bum, he ends up having the upper hand by defending himself forcefully. He does this at two levels. Besides arguing that laboring is useless for the lower classes, his second level of defense is a counter-attack, expressed in the accusation that the woman is an insatiable consumer and that she has a predator-like character since she wants to obtain stability by means of his entering the world of order, represented by a salaried job. The man also rejects any association between himself and anything that reminds him of money.

Love is a central element in songs dealing with money. Love is usually seen as morally superior to money. An example of the sublime nature of love can be found in the North American song *Something that money can't buy* (words by Charles Horwitz, music by Frederick V. Bowers, copyright 1900):

Gold has its power  
 Sages will say  
 Riches in life  
 Hold a wonderful sway

But there's a power  
 Hails from above  
 Greater and better  
 Power of love

There strolls a noble  
 Money and land  
 Lives in a mansion  
 Costly and grand

Still he's unhappy  
 No one knows why  
 Love is the power  
 Money can't buy

Love of a mother  
 For her darling child  
 Love for a son  
 Tho' he's way ward and wild

Love that brings joy  
 And a tear to the eye  
 This love is something  
 That money can't buy

There sits a maiden weary at heart  
 Sighing for one who had  
 Wow'd ne'er to part  
 Two lives were happy

Till one sad day  
 There came a message  
 He'd pass'd away

Still she is constant  
 Never will wed  
 True to the one who lies buried  
 'tis said  
 Rich men to win her  
 One and all try  
 Her love is something money can't buy

Love of a soldier  
 His flag to defend  
 Loving Old Glory  
 He fights to the end  
 True to this colors and for it he'd die  
 This love is something that money can't buy

The song is an unswerving defense of the value of love. It is interesting that this defense is couched in monetary terms, since the lyrics always stress that there are things that money cannot buy. "This is something money cannot buy," by the way, is a typical North American expression that is rarely used in Brazil.

Sinhô, a Black Brazilian composer of the beginning of the twentieth century known as the "King of Samba" found out that "samba could bring about money, prestige, and even good polemics – three things that pleased him greatly .... His favorite themes were the chronicling of daily and love stories with special emphasis on matters of *money* and *women*, his greatest preoccupations in real

life” (Severiano 1988). In 1918, he wrote *Quem são Eles (Who are they)*, his first Carnival success. One of the verses states:

No need to ask  
I'll give money  
That I don't have  
But I'll steal it

The theme of money appears incidentally in this song, in the middle of other motives, as if it were something minor. The fellow has no money and to get it, he will not avail himself of work, considered unworthy, but of theft. As he presents himself as uninterested in material preoccupations, it becomes implicit that it is a woman who is asking him for money and that she is not indifferent to financial questions.

*O Pé do Anjo (The Angel's Foot)*, a carnivalesque march, recorded in 1920, was one of Sinhô's greatest hits. In it the “King of Samba” deals with women and money in one of the verses:

Women and hens  
Are two covetous animals  
Hens want corn  
And women want money

The woman, compared to the hen who is always pecking, is seen as a covetous creature and a consumer of money. It remains as a constant the idea that while man is above material interests, woman is constantly bringing to the floor the matter of money, this very unworthy subject. Xisto Bahia, one of the precursors of Brazilian popular music, finished his march, *Isto é bom (This is good)*, in 1880 for a theater magazine saying, “If you want to have what's good/ Don't love money.”

In the march *Amor sem dinheiro (Love without money)*, one of the hits of the 1926 Carnival, Sinhô discusses the relationship between money and love, showing the impossibility of living fully the latter without adequate financial conditions:

Love, love  
Love without money, honey  
Is worthless

Love without money  
Is fire in the hay  
It is an ownerless house  
Where a scoundrel lives

Love, love, etc.

Love without money  
Is the flower that wilted

It is rhymeless verses  
Take me and I'll go

Love, love, etc.

Love without money  
Is the juiceless sugar cane  
It is the frog in the pond  
Tiredly singing

*Tem Papagaio no Poleiro* (*There is a parrot in the coop*), another of Sinhô's Carnival sambas in 1926, can be seen as a continuation of the composition:

Oh love!

Oh love!  
Your tenderness  
Is the sweetness  
Of a flower

Love is very good  
While you have money  
If the dough is gone  
There is a parrot in the coop

In the shack of loneliness  
I went to live with my honey  
The dough was gone  
And I was left talking to myself

The two songs are clear in their argument that love needs a financial base without which it is merely a "fire in the hay." The second composition affirms moreover that if a man is not capable of bringing home the money, he will be abandoned by his woman. The lyrics emphasize thus the fact that the social role that corresponds to man is that of the provider for the home and that the woman is potentially a traitor that will take advantage of her partner's failure to comply with his financial obligations as a reason to leave him.

It is interesting, however, that the same Sinhô composed in 1928 another samba, *Que vale a Nota sem o Carinho da Mulher* (*What is dough worth without a Woman's Tenderness*), which goes exactly opposite to the two earlier ones and in which in the first verse, he proclaims the supremacy of love over money:

Love! Love!  
It is not for those who want it  
What is dough worth, my honey  
without the pure tender touch of a woman?  
(when she wants it)

The title summarizes the meaning of the song. It underlines the fact that love is worth much more than money, which means nothing without a woman's tender touch. This is a constant tension in the songs that deal with money at that time. On one hand, everyone knows that in a society that becomes more and more monetized as the Brazilian society of that time, one needs money to get the things one wants. However, since it is difficult to earn enough money working when one is poor, there is a kind of "sour grapes" mentality that is translated into the affirmation that love is much more important than wealth. This contradiction appears, at times, in the songs of a single composer, such as Sinhô.

What one observes in the compositions of the beginning of the twentieth century is the simultaneity of the notion of the growing importance of money and the proposal of affective and magical solutions that minimize its scarcity.

Women are part of the picture of Brazilian and North American songs about money composed at the end of the nineteenth century and beginning of the twentieth century. Although most of the composers were male, they frequently constructed a narrator who was a woman. Women can either be sublime in the love they provide or very mean because they ask for money. In the compositions of that time, money is more and more associated with the figure of the woman (Oliven 1988). We enter here in the realm of expectations and complaints between men and women – themes that are abundant in the compositions at that time. The songs show both the masculine point of view as well as the feminine one (shown through the male imagination, since they comprise the absolute majority of the composers). As love relationships are made up of expectations, we are always before a tension between what is expected or demanded of the opposite sex and what is obtained from it. Also, always present is what was done to attend to the other's expectations and the gratitude or ingratitude generated by the action. Popular music at this time reflects this world of expectations and complaints in a register that is at times humorous and at other times resentful.

In North American songs, women also appear as making constant demands of money. In *Money Blues* (composed by D. Leader and H. Ellers, recorded by Bessie Smith, 1926) we have a direct reference to money:

Daddy, I need money,  
 Give it to your honey  
 Daddy, I need money now  
 All day long I hear that song  
 Dadd, it's your fault  
 If I go wrong  
 I need a small piece of money now  
 I can use a small piece now

Several other songs sung by Bessie Smith speak directly about money or the lack of it: *Hard Times Blues*, *Homeless Blues*, *Poor Man Blues*, *Washwoman blues*, *Nobody knows you when you are down and out*.

*Why Don't You Do Right (Get Me Some Money, Too!)* by Joe McCoy, copyright 1941) also has a direct demand of money made by a woman to her man:

You had plenty money

1922

You let other people

Make a fool of you

Why don't you do right

Like some other men do?

Get out of here and

Get me some money too

Yo' sittin' down

Wond'ring

What it's

All about

If you ain't

Got no money

They will

Put you out

Why don't you do right

Like some other man do?

Get out of here and

Get me some money too.

If you had prepared 20 years ago

You wouldn't be

Wandering now

From do' to do'

Why don't you do right

Like some other men do?

Get out of here and

Get me some money too

But when the man is being the provider power relations between sexes based on money crop up as can be seen in *Paying the Cost to be the Boss* (words and music by B.B. King):

You act like you

Don't wanna listen

When I'm talking to you

You think you ought to do, baby

Anything you want to do

You must be crazy, baby  
You just got to be out of your mind

As long as I'm paying the bills, woman  
I'm paying the cost  
To be the boss

I'll drink if I want to  
And play a little poker, too  
Don't you say nothing to me  
As long as I'm taking care of you

As long as I'm working, baby  
And paying all the bills  
I don't want no mouth from you  
About the way I'm supposed to live

You must be crazy, woman  
You just gotta be out of your mind

Now that you've got me  
You act like  
You're ashamed

You don't act like any woman  
You're just using my name  
I tell you I'm gonna handle all the money  
And I don't want no back talk

'Cause if you don't like  
The way I'm doing  
Just pick up your things and walk

You gotta be crazy, baby  
You must be out of your mind  
As long as I'm footing the bills  
I'm paying to the cost  
To be the boss

If we look at Brazilian songs we notice that women are also not satisfied with their men. In *É o que ele quer* (*That's what he wants*), a composition by Oswaldo Santiago and Paulo Barbosa in 1938, we find the image supposedly held by the woman of a male dream:

Good house and good clothes  
And home cooked meals  
That's what he wants  
That's what he wants

A life of fun  
With the woman's money  
That's what he wants  
That's what he wants  
  
This is too much  
It cannot be  
He who does not work  
Should not live  
This young man even wants  
Me to chew  
So he can eat

In Brazilian popular music of the first half of last century women were more and more insistent on reminding men that they should work and earn money, as in the samba *Vai Trabalhar (Go to work)* by Cyro de Souza, recorded in 1942:

I don't like this  
It doesn't look good  
I am doing my thing  
at the wash basin  
To earn money  
  
An you in the samba  
All day long, oh  
All day long, oh  
All day long, oh  
  
You understand  
And pretend that you don't  
That everything depends on good will  
For our lives to straighten up  
  
You must cooperate  
You are strong and you can help  
Look for a job  
Leave the samba  
And go to work

Although composed by a man, the narrator is a woman (who takes in laundry to make money) who is complaining about her man who instead of working dances the samba and is kept by her work. But to earn a living working is difficult as seen in *Vida Apertada (A tight life)*, a samba from 1940 by the same composer:

My God, what a tight life  
I work and have nothing  
I live a in a martyrdom unequaled

Life has no enchantment  
For one who suffers so much  
This way I'll end up badly

Being poor is not a defect  
But it is unhappiness  
You don't even have the right  
To enjoy your youth

I leave work very late  
I arrive home nearly dead  
For I face the ballast of a ship  
Every day there at the port

The subject of the composition is killing himself as a ballast worker and he realizes that besides not earning very much, he doesn't even have the right to enjoy his youth. A similar theme is in *Será possível? (Is this possible?)*, by Rubens Campos and Henricão from 1941:

Ai, ai, ai. I am already tired  
of trying to control myself  
My money was never enough for anything  
It is for eating badly and dressing  
to pay for the shack and not making it

I am already disillusioned  
because this way  
I know that I will be finished

I worked all year  
to see if I could straighten out  
I saved so much  
I even cooked without any grease at home  
To travel by trolley I waited for the second class street car

A recurring theme during that time focuses on the interest of women in money and the pressure they exert on men for them to obtain it. The invariable answer by the man is that he is going to get some, but this is secondary next to the affection that he has to offer her. This is perfectly clear in *Dinheiro não Há (There is no money)*, by Benedito Lacerda and H. Alvarenda:

There she comes crying  
What does she want?  
Not a beating

I know  
Fun-loving woman

When she begins to cry  
She wants money  
There is no money  
There is none

Love I have too much  
To sell and to give  
Beatings will also not be lacking  
Money, not that  
I don't give that to women

But I promise on earth,  
The sky and the stars  
If she wants them  
But there is not money

The song affirms clearly the scarcity of money (already explained in the title) and the abundance of love that can be manifested even through physical aggression as in several other contemporary songs. The woman (fun-loving in this case) is seen as always wanting money, while the man has something much better to offer her.

In these songs women are complaining to their men that they are not performing what is considered their basic role in society: to be providers. The best the men can say is that they are unable to provide money but that they have plenty of love to offer.

One of the few “solutions” at hand for those men was to dream that they had suddenly become rich like in *If I had a Million Dollars* (words by Johnny Mercer, music by Matt Mallneck, copyright 1934):

Castles with their thrones  
Ships up on the sea  
Gold and precious stones  
All belong to me  
Foolish though it seems  
Ev'ry word is true  
Though they're only  
Mine in dreams  
My dreams belong to you

If I had a million dollars  
I know just what I would do  
I'd tie a string around the world  
And bring all of it to you

Those little things you pray for  
Whatever they may be  
I'd have enough to pay for them all.  
If I spent the million dollars

I know I would never care  
Because as long as you were mine  
I'd still be a millionaire  
That's why I'm always dreaming  
Dreaming of what I'd do  
If I had a million dollars and you.

The dream is also present in *Acertei no Milhar* (*I won on the thousands*), the classic samba by Wilson Batista and Geraldo Pereira, recorded in 1940 that shows one of the possibilities of salvation by winning the lottery:

“Etelvina, my darling!”  
“What is it, Jorginho?”  
I bet right on the thousands  
I won 500 thousand  
I'm not going to work  
And give all my old clothes to the poor  
And the furniture we can break  
And this is now  
Give it here

Etelvina  
You are going to have another honeymoon  
You are going to be a lady  
You are going to live in a big hotel  
I am going to buy a name I know not where  
Of a Marquis, Lord Jorge Veiga, of a Viscount  
A French teacher, mon amour  
I am going to change your name  
To Lady Pompadour  
Finally now I am going to be happy  
I am going to travel all over Europe even to Paris

And our children, huh?  
“Oh, what the Hell!”  
I am going to send them to boarding school  
Call Mané at the corner store  
Because I don't want to owe anyone  
I am going to buy a blue airplane  
To visit all of South America

Oh, but suddenly, suddenly  
Etelvina called me  
It's time to go to work  
Etelvina woke me up  
It was a dream, folks

The background of the song is *pennilessness* and the difficulties that come from it such as having to work, pay bills, etc. The way out, in this case comes in the dimension of dreams. The narrator dreams that he has won a large amount of money in the lottery by getting the thousands correctly and he quickly states that he will no longer work. He goes on in the delirium of fantasy including a new honeymoon, international travel, living in a hotel, children in boarding school, new furniture, paying debts, etc. Who was at best a simple manual laborer, is now climbing the social structure and will become noble, therefore, being more than bourgeois. All of this is going to come from the money. But a large quantity of money is only possible through the lottery and as we see in the end, all of this is nothing but a dream. Woman, in this case, is the recipient of the fantasy: it is to her that the dream is told, and she will become a lady. It is also she who calls him back to reality, and reminds him of work.

A similar theme appears in *Saquinho de Papel (Little paper bag)* by Cyro Monteiro and Lilian Bastos:

If life were like we want it  
 Oh how good it would be  
 We would only sing  
 Night and day

Nobody would work  
 They would just spend  
 In a big house we would live  
 We would eat, sleep and dream  
 And happiness would remain with us

And every night in the yard  
 There would be samba with drums  
 Whoever has a guitar would sing  
 Who was good at singing, would sing  
 And happiness would remain with us

And every end of the month  
 A little bag of money in the yard  
 So that we could pay what we spent  
 Pay for food, pay for drink  
 Pay for the clothes that we wore  
 And the rent

This money would all come from heaven

Oh, what a nice dream  
 How great it is to dream like this  
 Oh, if I could only never wake up from this dream

*Big Rock Candy Mountain* (Harry Kirby McClintock) was composed in 1928, the same year of Sinhô's *Que vale a Nota sem o Carinho da Mulher (What is*

*dough worth without a Woman's Tenderness*) and sings about a "land that's fair and bright,/ The handouts grow on bushes/ And you sleep all night." Not only do handouts grow on bushes, but it is a land "Where you sleep all day,/ Where they hung the jerk/ That invented work." It is interesting that at no moment is the word *money* pronounced in the song.

Shortly after the song was composed the crash of Wall Street occurred. Depression made itself felt in music. Money, or rather the lack of it, appears in several songs of the period. The classical *Brother, Can You Spare a Dime?* (words by E.Y. Harburg, music by Jay Gorney, copyright 1932) is an example. The expression "Buddy can you spare a dime?" is not only a direct reference to money but also an admittance that money is difficult to get by in a land that made the promise that you could get rich if you worked. *The Gold Digger's Song (We're in Money)* (words by Al Dubin, music by Harry Warren, copyright 1933 renewed) expresses the hope the bleak times of the Depression are over and also makes direct reference to money already in its subtitle:

Gone are my blues  
And gone are my tears  
I've got good news  
To shout in your ears

The silver dollar  
Has returned to the fold  
With silver you  
Can turn your dreams to golds

We're in the money  
We've got lot of  
What it takes  
To get along!

We're in the money  
The skies are sunny  
Old man depression  
You are through  
You done us wrong!

We never see a headline  
'bout a breadline today  
And when we see the landlord  
We can look that  
Guy right in the eye

We're in the money  
Come on, my honey  
Let's spend it  
Lend it  
Send it rolling along!

The song ends with the message that money has to circulate in order to breed more, hence it has to be spent or lent.

*With Plenty of Money and You (Gold Diggers' Lullaby)* written for the musical *Gold Diggers of 1937* also deals with the question of love and money:

*Verse:*

I have never envied folks with money,  
Millionaires don't get along so well;  
I have you, but haven't any money,  
Still the combination would be swell;

*Chorus:*

Oh, baby, what I couldn't do-oo-oo,  
With plenty of money and you-oo-oo;  
In spite of the worry that money brings,  
Just a little "filthy lucre" buys a lot of things;  
And I could take you to places you'd like to go,  
But outside of that, I've no use for dough;  
It's the root of all evil,  
Of strife and upheaval;  
But I'm certain, honey,  
That life could be sunny,  
With plenty of money and you.

The song makes direct reference to the *New Testament* idea of money as "filthy lucre." But it does it in a cute way. It does not deny that money is the "root of all evils" (1 Timothy, 6:10) but all the narrator wants is to have plenty of it in order to enjoy the love of the woman he is enamored with. Outside of that he thinks money has no use. Which means that love can cancel the bad aspects associated with money.

The dilemma of love versus money is a constant during that period. Similarly to the decade of the 1920s, many songs during the decade of the 1930s emphasize that love is much more important than money and that the latter does not bring happiness. It is better to be poor while happy than rich and unhappy. This is what one finds in the samba by Benedicto Lacerda and Herivelto Martins, *E o vento levou (Gone with the wind)*, a homonym to the famous North American film:

Where is the money?  
Gone with the wind ...  
Your jewelry, your home?  
Gone with the wind ...  
And the woman that you had?  
She flew the coop ...  
Everything that I possessed  
Gone with the wind ...

I have been rich, I have been noble  
 I have been elegant and a big spender  
 Everyone greeted me this way:  
 Hello, Doctor  
 Even this nickname is gone with the wind ...

Where is ...

He who has been a millionaire  
 He who has had and does not have today  
 Wherever I go  
 Everyone shouts this way:  
 Hello, Mr. Nobody  
 Some day the wind storm  
 Will take me also

Where is ...

The song shows how much a rich man is pampered, and how he becomes abandoned when he loses his fortune. To be rich always involves the risk of losing everything and suffering.

But the composers become more aware of the importance of money in order to have a good emotional relation. *Romance Without Finance* (Charlie Parker, 1944) speaks precisely about this question:

Romance without finance is nuisance  
 Baby, you know I need me some gold  
 Romance without finance just don't make sense  
 Mama, mama, please give up that gold  
 You so great and you so fine  
 You ain't got no money you can't be mine  
 It ain't no joke to be stone broke  
 Baby, you know I'd lie when I say  
 Romance without finance is a nuisance  
 Please please baby give me some gold

Romance without finance is nuisance  
 Oh baby, I must have me some gold  
 Romance without finance just don't make sense  
 Oh baby, mama, mama, give up that gold  
 You so great and you so fine  
 You ain't got no money you can't be mine  
 It ain't no joke to be stone broke  
 Baby, you know I'd lie when I say  
 Romance without finance is a nuisance

Here we have a clear message that it is impossible to develop a satisfactory love relation if an adequate financial basis is not present. In *If You've got the Money*,

*I've got the Time* (Lefty Frizzell and Jim Beck, 1950) this idea is developed in an even more direct way: "If you got the money, I've got the time/ But if you run short of money I'll run short of time/ Cause you with no more money honey I've no more time."

*Busted* (Ray Charles), a song composed in 1963 deals with material reality:

My bills are all due and the baby needs shoes and I'm busted  
 Cotton is down to a quarter a pound, but I'm busted  
 I got a cow that won't dry and a hen that won't lay  
 A big stack of bills that gets bigger each day  
 The county's gonna haul my belongings away cause I'm busted.

I went to my brother to ask for a loan cause I was busted  
 I hate to beg like a dog with his bone, but I'm busted  
 My brother said there ain't a thing I can do,  
 My wife and my kids are all down with the flu,  
 And I was just thinking about calling on you 'cause I'm busted.

Well, I am no thief, but a man can go wrong when he's busted  
 The food that we canned last summer is gone and I'm busted  
 The fields are all bare and the cotton won't grow,  
 Me and my family got to pack up and go,  
 But I'll make a living, just where I don't know cause I'm busted  
 I'm broke, no bread, I mean like nothing.

Although the song makes no bones about the ordeal the narrator is going through, it does not mention the word *money*. A very similar situation can be found in *Pode guardar as Panelas* (*You can put away the pans*), a samba by Paulinho da Viola from 1979:

You know that the tide  
 Is not easy at all  
 And he who is not sleeping  
 Already knows the situation  
 I know that it hurts in the heart  
 To talk the way I did  
 To say that the worst has happened  
 You can put away the pans  
 For today I did not have enough money  
 (you know about the tide)

I tried as insanely as I could  
 Asking for loans, but nobody lent me any money  
 I went to Mr. Malaquias  
 Wanting to buy on credit but he refused  
 My salary, tight, pitiful one, funny  
 Disappeared

I went to the animal lottery, and I played the head  
 But it did not happen  
 (you know about the tide)

You know about the tide ... etc.

To fill our pan, my friend  
 I don't know how it will be  
 I've run around everywhere  
 I did what I could do  
 Hoping for a miracle  
 To see if it will resolve the situation  
 My faith is wavering  
 And I don't want to suffer another deception  
 (you know about the tide)

The song, which portrays a turn around about facing money, expresses the loss of past illusions. The chorus repeats, like a background painting, the economic situation of the popular classes and related difficulties. In spite of recognizing that this may hurt one's feelings, the narrator prefers to be honest and direct. The impact is strong, for money is associated directly with food. Contrary to sambas from other times, in which the word money was frequently avoided, here it is cited explicitly. The narrator is a salaried worker whose earnings do not cover the expenses for the month. Therefore, he is obliged to try some alternative forms of getting money. But the methods that he utilized in other times (borrowing, buying on credit, gambling) no longer help and he no longer believes in miracles. From this comes his profound disillusionment. The title of the samba itself, *You can put away the pans*, suggests as recoiling, a "taking the team away from the playing field", an absence of any solution in the horizon.

Paulinho da Viola is an epigone of the classical samba composers. He composes samba during a time in which this musical genre has stopped being the predominant one in Brazil. Therefore, he can be considered as the end of an era.

At first hand, it could seem strange to look at economic representations through popular music. One could imagine that books on economics would be more useful. In this article I try to argue that we can learn a lot about everyday economics looking at lyrics of songs. I also argue that comparing two "New World" countries, Brazil and United States, is very useful, since these two nations have things in common but also have very different realities. These realities are richly expressed through popular music. Specifically I have concentrated on a period of history that has to do with the end of slavery and the development of an urban-industrial society based on wage labor. The songs I have examined show how money evolves as societies change and social relations become more monetized.

There is a parallelism in the North American and the Brazilian songs. The songs of the 1920s represent a period in which people could still dream of surviving without working and of a society in which idleness and love could be held against salaried work and the need for money. The songs of the second half of last century,

on the other hand, are much more “realistic.” The narrators are poor, mainly of African descent in both cases, and they speak about the difficulty of getting money working. Contrary to the lyrics of the 1920s, in which the word money was frequently avoided, here it is cited explicitly. The songs are witnessing the end of an era. A period that begins with the composers’ affirming the little value of money and the possibility of obtaining it magically and that ends with their recognizing its importance and the enormous difficulty of obtaining it. Money becomes more and more part of everyday reality. As the song of the musical *Cabaret* asserts: “Money makes the world go around.”

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# 14 On smugglers, pirates, and aroma makers

*Ursula Biemann*

Capsized boats and clandestine immigrants washing up on European shores: these are the dramatic images by which the European southern border gets into the news again and again. The media seem to say that these images communicate the essence of the border in its most compressed and climactic form. But there is no defining image of drama that can narrate the endless story of inclusion and exclusion. There can be no violent icon to which the event of crossing can be reduced – only the plurality of passages, their diverse embodiments, their motivations and articulations. Turning the focus away from the simple trespassing of a line towards exposing the transnational, diffuse, and semi-legal economic transactions behind the multiple movements within the borderlands might bring us closer to understanding the site and how perfectly the clandestine boat passages fit into the whole picture.

This text relates to the video *Europlex*, made in collaboration with visual anthropologist Angela Sanders, which looks at the Spanish Moroccan borderland on both sides of the Strait of Gibraltar. This area is given its cultural meaning only by being crossed: by the routes of container ships from West Africa on their way to the Mediterranean, the perilous nocturnal boat voyages undertaken by clandestine migrants, the helicopter patrols keeping watch, by the lines of the radar pictures, the itinerant plantation workers who pick vegetables for the EU market, the commuting housemaids, the “*domésticas*,” who go to work for the *señoras* in Andalusia, the seasonal movement of the Spanish teachers in the enclaves, the patrols of the border guards along the mountain paths, the bus trips of the Moroccan women who peel imported shrimps for Dutch companies in Tangier, the pirates who buy articles imported from China in Spain, and the women smugglers who tie them up under their skirts and carry them into the “*medina*.” This is the mobility that we are concerned with, the everyday mobility lived out on a local level. It produces micro-geographies that are deeply intermeshed with one another and, at the same time, reflect global dimensions.

*Europlex* examines, in a series of border recordings, the circular movement of people around the checkpoint between the Spanish Enclave Ceuta and the surrounding Moroccan territory. This checkpoint controls the coastal road that ends at the most northern point in Ceuta. Directly across the Strait are Gibraltar and the Spanish mainland. At this extreme geographic location the flourishing



city Ceuta has always been assigned the role of a well-guarded bridgehead. The Moroccan harbor Tangier located on the Atlantic side of the Strait, due to its history marked by various European maneuvers, is considered a more cosmopolitan city with great plans for becoming a transnational trading place.

### Logging the border

The videographic recordings, which we call “border logs,” relate to the two distinct sites Ceuta (border log I + II) and Tangier (border log III). We use the term “log” to link the travel logs and the ethnographic recordings with the practice of video editing, whereby the log, i.e., the chronological list of the filmed material, is considered an indispensable preparation for the montage. *Europlex*, particularly in the first border journal, visualizes the observation process by describing just what it does, namely, accurately registering the spatial-temporal process. It introduces a time, which allows an unhurried interpretation of the event, a temporal mode beyond the spectacular. Video becomes a cognitive tool. While this pragmatic procedure could be experienced elsewhere as utterly boring, it is almost a prerequisite for grasping the diffuse bustling in this location. At first sight, it is rather difficult to make sense of the exhilarating, confusing course of affairs occurring here and it requires more than one visit to the border to understand the logic of the busy multidirectional stream of people carrying a multitude of plastic bags and parcels.



Border log I is first of all a meticulous observation of the extensive smuggling activities that circumscribe the *frontera de tarajal*, the border with Ceuta. Filming is strictly prohibited so images can be made only under constant interruptions, with a hidden camera or from a distance. The liveliness begins at 6 am when the gates open to the crowd of impatiently waiting Moroccans and continues through the day. Smuggling takes place in the daylight in front of the eyes of the officials and is part of the everyday culture. Many of the smugglers come from the town Tétuan nearby, others from villages of the Rif mountains further away. The aim of the border crossing is not to get into the city of Ceuta but to pursue their semi-legal business in the expanded border complex. Wholesale warehouses and street markets are just around the corner from the checkpoint. Here they rummage around for good deals and buy as much as they can carry. Some articles such as wool blankets are better quality and still cheaper than in Morocco, even though they are not necessarily made in Spain but imported from China or procured from pirates and other questionable sources. Still, these goods will be marketable in Tétuan. On their way back, the smugglers pass, this time heavily loaded, in front of the same officials who get compensated for their forbearance. Circumscribing the architecture of the authorities up to 11 times a day, they inhabit the border in a non-linear, circular way, carving out an existence for themselves. Towards the best possible mobility for crossing, the female smugglers strap shirts and cloths to their body, layer by layer, until they have doubled their body volume. This seems to be

a technique only women use. Every piece will increase the profit margin of her passage. The economic logic inscribes itself onto every layer of the transforming, mobile, female body.



smugglers stringing clothes to their bodies

Border log II follows the daily journey of the Moroccan maids who live in the Moroccan town Tétuan and work in the enclave. Since Spanish women increasingly seek paid work outside their homes, the need for cheap domestic personnel in the enclave city has grown. Most of the service personnel get recruited from the neighboring Moroccan region; only very few will be given a work contract that would guarantee minimum salary and facilitate easier entrance into the enclave. So, for many, the day begins by being shoved through the crowded gated passage on the border, hoping to be let in. The state officials use every pretext to slow down or congest the flow completely. Yet, *Europlex* doesn't focus on the difficult conditions young Moroccan women are facing when they enter the European labor market. It rather takes a look at the casual but unusual detail of the commute itself between the Moroccan and the European time zones. Due to the fact that the two adjacent territories are located in distinct time zones with a two-hour time lapse, the domestic workers turn into permanent time travelers within the border economy. Their life rhythms are offbeat; they are performed through an alternating delay and acceleration with respect to their

social context. Deferred time becomes the mode of their cultural positionality. In the video, the time-traveling maid is represented in front of an electronically generated, organically moving, pop-striped background; her gesture and her smile appear unnaturally repetitive, they are interrupted by drop-outs, i.e., missing images that stop and restart in a choppy fashion. The animated portrait of the Muslim woman takes on likeable robotic features that withdraw her from our time measurement.

Border log III enters the transnational zone near Tangier where Moroccan women manufacture biological and technological products for European subcontractors: shrimp peelers, aroma makers, toy molders. As in so many other places on the edge of advanced states, we recognize here the typical mechanism of globalization, i.e., the outsourcing of labor-intensive processes under more advantageous conditions regarding wage, labor rights and taxes. Tangier wants to position itself as the most important transnational trade center in the southern Mediterranean basin at the beginning of the twenty-first century. As I have argued elsewhere with regards to the US–Mexican border (Biemann 2003), transnational zones are comparable to heterotopian places which distinguish themselves by not being embedded in the cultural context but operating according to another, remote-controlled set of rules and rationales. Like in Mexico, in Tangier too, there is mainly a female work force being taken into consideration for jobs in the disenfranchised zone. The border crossed by these women on a daily basis is a lot less visible than the fortified one around Ceuta passed by the smugglers and domestic workers. Still, upon entering the transnational zone, the worker experiences a distinctive split from her cultural environment. In *Europlex*, this fissure comes to expression in a series of female workers' portraits captured at the exit of a factory in the harbor of Tangier. In terms of image technology it is performed by means of a brusque freeze of her image, her face and her gaze remain sharp while the background dissolves gradually into graininess beyond recognition. Accompanied by electronic rhythms the sequence is overlaid by fast accumulating figures suggesting labor hours and performance statistics. In this fragmented composition her presence is decontextualized, her body entirely technologized.

## **Translocal economies**

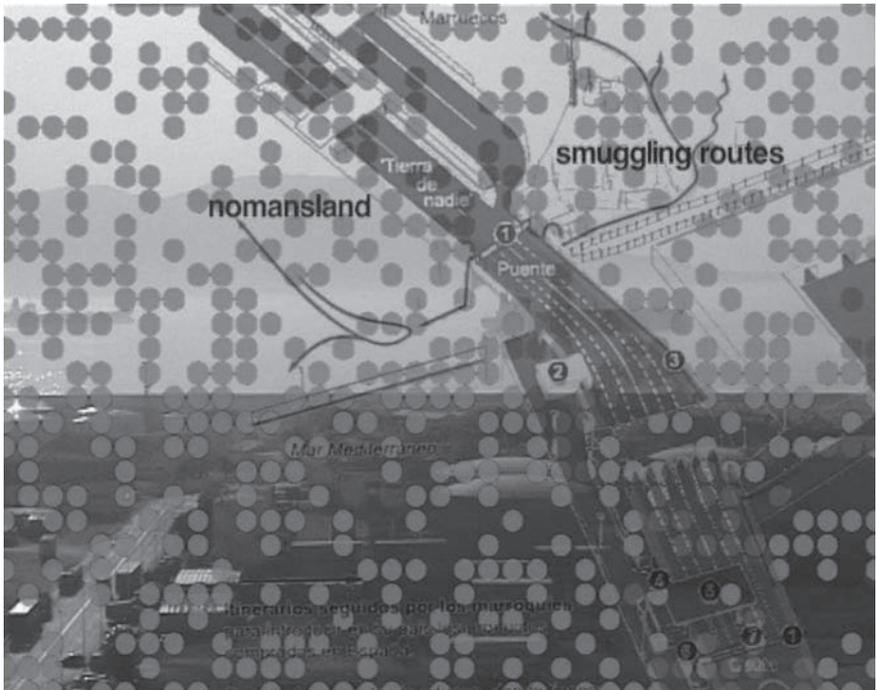
These log journals describe three diverse practices that transform the border space into a translocal reality. What the border recordings aim at and attempt to impact on is not the consolidation of a national unity but, on the contrary, the permeability and constant subversion of it. Television reports on clandestine boat passengers do that too, to some extent, but it seems crucial to me that the shadowy and partially subversive circumstances of these border passages are not assimilated all too quickly into a disciplined national order, where intervening state officials play the leading part, but that they are allowed to cultivate an alternative imaginary based in translocal existences and transformative cultural practices.



The control tower of Algeciras, the second largest container harbor in the Mediterranean, oversees all navigation activities across the Strait. Visual contact with the vessels is provided by surveillance cameras located in the harbor areas and through radar signals rendered on monitors, whereas vocal contact is established via radio with the captains. In the video, these two separate media of communication are brought together. The clean technological representation of radar lines that trace the projected path of each ship through the waters of Gibraltar is juxtaposed with the crackling radio announcements of heavily accented captains from all over the world, occasionally interrupted by snatches of Moroccan music blasting from one of the ship cabins. These are the rough, disruptive, embodied voices that introduce cultural meaning to the organizing electronic maps.

Southern Spain and northern Morocco form a space that may be powered and ruled by the European economy but that is ultimately produced by the people who are moving across and in-between the territorial imperative of the borders. The focus is not on the global players, not on the deconstruction of power, but consists in the accurate observation of counter-geographies and dissident practices, mostly semi-legal, often invisible. It could be significant, then, to produce knowledge and visual intelligence about the course and meaning of these border circuits, to understand how they repeat themselves discursively and semiotically and how the transborder passengers described in the border logs imprint and give meaning to this performative space. We are not speaking about any old urban

formation but border constructs, enclaves and free trade zones, places that are not embedded in the surroundings but artificially created alien zones, which belong to a different operative logic and are therefore translocal.



A sensitive, strategically wanted economic drop typically characterizes the outer boundaries of the translocal zone, which invariably entails an accelerated traffic of humans and goods. While there are clearly postcolonial and transnational motivations standing behind these emplacements, the local inhabitants usually don't take long to recognize the possibilities of setting up alternative economic circuits that will profit the whole region. The problem arises from the fact that these improvised transnational activities withdraw from legal regulations which are designed to address primarily the needs of the trade relations of corporations. That's how micro-economies drift too easily into semi-legal fields of actions where the goodwill of officials, feudal work conditions and piracy make the rules.

All video stills are from *Europlex*, by Ursula Biemann and Angela Sanders (DVD, 20 min., 2003).

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**Part VI**

# **Everyday Economies**

# 15 “Watching the market”

## Visual representations of financial economy in advertisements

*Urs Stäheli*

Financial speculation always already refers to the visual. In 1754, the Samuel Johnson’s *Dictionary* defines the practice of speculation as “examination by the eye.” Etymologically, speculation derives from the Latin verb *speculare*, which does not refer to an economic practice, but more generally to looking out for something which is not already there. Speculation in the sense of financial speculation was first mentioned at the end of the eighteenth century. The semantics of financial speculation remains closely tied to the visual, such as Walpole’s comparison of the folly of speculation with that of pictures (OED). Additionally, its semantics becomes now morally coded, often as evil, and, at the same time, it is linked to the figure of the adventurer.

Visual metaphors for describing the stock market are still alive today – we speak, for example, about watching the market. But how is it possible to watch financial markets? The speculator seriously concentrates on what they are looking at, but the very object of their gaze, the market, is invisible. To be precise, a speculator does not simply want to watch the market as it is – they are not interested in the “appearance” of the market, but on what the market might become. It is the hidden future of the market that seems to reveal the present truth of the market. The very object the speculator is interested in never reveals itself directly to their eyes. Rather, a true speculator has to learn how to watch the market – how to make the market visible and how to read the tokens of the market. It is this invisibility of the market, which generates a multitude of metaphors, standing in for that what cannot be shown.

This paper is interested in visual strategies of representation that are used for making the market visible. There are many different forms of economic and non-economic signifying practices that tackle this question. Think of techniques of visualization that are employed in economic textbooks and academic economics (Buck-Morss 1995); or of media such as the ticker tape and computer screens, visualizing the market (Stäheli 2004; Knorr-Cetina and Brügger 2002). These are certainly crucial sites and means of representation, but they tend to address primarily those who are already “inside” the market. But if the visibility of the market is problematic for professionals and economists, how do outsiders deal with this strange form of economic invisibility?

What I want to address in this chapter is precisely this question of how the stock market is made visible to a lay audience – an audience that is not yet convinced that there will be an invisible truth of the market. For doing this, I first very briefly address the problem of invisibility and financial economy. This leads me to the assumption that this invisibility becomes the site for struggles of representations – struggles of how to render visible the invisible. Drawing from Niklas Luhmann's systems theory, I introduce a model for analyzing how the financial economy deals with this invisibility. It is suggested to distinguish two intertwined, but often contradictory, problems of identity representation. This model is, finally, used for a close reading of a TV-commercial for the online broker Datek-Online, which was shown during the height of the New Economy in 1999/2000.

## **The invisibility of the financial economy**

Financial economy is often understood as one of the most abstract economic realms. In contrast to an economy centered on production, it has lost most of its material references: be it a product that can be looked at and consumed, be it the process of labor. Although the epistemological status of these material references is quite complicated, it still provides a naturalized iconographic repertoire for representing economic processes and the economy. The financial economy, however, describes itself as a radically fictional and self-referential social sphere: financial expectations in the form of prices refer to other financial expectations. That is why, for example, Jean-Joseph Goux (1997) even speaks about a "stock exchange paradigm" that emerged at the end of the nineteenth century. Goux points at some striking parallels between this stock exchange paradigm and later developments of poststructuralism: the relation of quotes to quotes resembles a purely self-referential play of economic signs. Although I do not fully agree with Goux's too-easily handed equation of speculation and poststructuralism, I think his argument still points at a particular form of self-reference that is central to the working of the financial economy: it is a self-reference which generates an invisibility at the very heart of financial economy – an invisibility created by a relentless process of abstraction.

In this chapter I am interested in the representational problems that are created by this invisibility of financial economy:<sup>1</sup> How is the financial economy made visible? Which strategies of representation does it use? A product- and work-centered economy had, at least, a well-working referential illusion and a corresponding visual repertoire, including, for example, pictures of the factory, workers and capitalists, and the goods that are produced. Looking at representations of the market, it is striking that it is often the latter dimension that is used for illustrating the market. A recent history of the market, for example, illustrates the scope of a global market with the description of a huge flower market: "Flowers in all their

1 The problem of how the invisible is made visible has been well researched in science studies (e.g. Stafford 1991) but has not yet been taken up by economic sociology.

colors covering an area the size of 125 soccer fields are what you see if you visit the world's largest flower market, in the Dutch village of Aalsmeer" (McMillan 2003).<sup>2</sup> The mere quantity of products is supposed to represent the globality of markets.

The financial economy, in contrast, cannot draw from a well-established descriptive and iconographic vocabulary for describing itself. There are no material products of the stock market. Even speaking about products becomes difficult, although, since the beginning of the twentieth century, economists have tried to articulate the stock market in the language of production. From such a perspective, the speculator is represented as a producer, who is seen as a producer of *prices* (e.g., Emery 1896).<sup>3</sup> While economists such as Charles Emery, who published one of the first economic theories of speculation, try to articulate the "stock exchange paradigm" with that of "production," popular visual representations are even more challenged. Replacing the lacking product of the financial economy, as critics of speculation suspect, with a product that is invisible, becomes a nearly insurmountable representational task. The illustration of securities and the architecture of the stock exchange are not sufficient means for substituting the rich imagery that the "production paradigm" offered. Although Wall Street has developed an architectural language of the "stock exchange," it can only do so by re-combining architectural elements from non-economic social spheres. For example, classical stock exchange buildings borrow from temples, theatre and even from the slaughterhouse.<sup>4</sup> Moreover, what is needed are iconographies which underline that financial speculation is a legitimate economic practice. It is for this reason that the popular representation of the market creates a virtual hotbed for the exploration of linguistic and visual metaphors and narratives that try to picture the market and its subjects.

## Representing the identity of finance: a model

Processes of visual representation are not simply reflections of an already given identity, but they are constitutive of that identity. This has become one of the common points of departure for Cultural and Visual Studies (e.g., Mirzoeff 1999). The discussion of representation and identity has nearly exclusively focused on how identities such as class, gender, sexuality, and ethnicity are constituted and performed. What has, however, been neglected are the social

2 John McMillan does not note the irony of his visual metaphor of a Dutch flower market. Although he does not mention which flowers can be seen, the immediate association is tulips, thus pointing to the "Tulip mania." The "Tulip Mania" in 1630 has become one of the canonized narratives about the first crash of a speculative market. For a popular account of the Tulip Mania, see Charles Mackay (1980 [1841/1852]).

3 Cf. Stäheli (2006; 2007) for a deconstructive analysis of popular discourses on speculation.

4 Catherine Ingraham (2006, 261ff.) discusses coincidences between the trading floor of the Chicago Stock Exchange and the abattoir. Already the word "stock market" links financial speculation and animals.

spheres within which these identities are constituted. Politics, economics, science, or the law – these spheres are often only seen as stages for the construction and struggle of socio-cultural identities. My contention is that these spheres of society are confronted with an identity problem of their own – a problem of identity construction which cannot be reduced to the logic of collective identities within these spheres, nor can it be tackled with reductionist grand narratives.<sup>5</sup>

Finance is one of these societal spheres that is confronted with the problem of constructing its identity. But why do social spheres, such as finance, have to represent themselves? The reason for this is that a representation or, as I would like to call it, following Niklas Luhmann (1997), a self-description is a *necessary condition* for organizing the closure of a social system or a discourse. It is only a self-description that opens up an economic horizon of meaning, thereby totalizing the financial economy.<sup>6</sup> The boundary between the economic and the non-economic is not a natural boundary, but it is continuously re-created by representations of the economy (and, of course, of that which is not economy). These representations create a realm of economic possibilities and impossibilities, that also defines the limits of financial economy: the self-representation of finance is not simply arbitrary, but there are certain ways of visualizing it that are seen as legitimate, while other ways are seen as illegitimate. These self-descriptions of finance include academic economic discourses. Such discourses function as “theories of reflection” (*Reflexionstheorie*), which are able to participate in the construction of an economic identity and also to reflect the constitutive distinction between the economic and the non-economic. Very often the analysis of self-descriptions of the economy is reduced to such “theories of reflection,” neglecting the wide range of popular self-descriptions, directed to an “outside,” e.g., small investors in finance economy or those who only participate indirectly (e.g., through pension funds) or even those who do not participate at all (but who can participate politically, e.g., to regulate the financial economy).

Thus, it is not only “high” economic theory where economic spheres such as the stock market are constituted. Popular representations often focus on problems of inclusion/exclusion and techniques of individualization. It is here where the making of the rational economic man becomes a topic, thereby problematizing what neoclassic economists tend to presuppose. Such representations have not to be produced by oppositional groups for acquiring this specific sensitivity towards economic certainties. It is rather their discursive positioning as techniques for constructing economic subjects, which makes them understand and represent economic processes differently. Popular economic representations, then, are literally forced to reach beyond the sphere of the economy – not for becoming universal representations, but for universalizing the economic system. It does not, for example, suffice to explain in economic terms why it pays to become a rational

5 Cf. Ray/Sayer (1999) critically on the treatment of economy by many practitioners of Cultural Studies.

6 Cf. the similar conception of economy as discourse (Amariglio 1988; Ruccio and Amariglio 2003).

economic man, since this would already presuppose a rational economic actor who is able to understand the need for rationality. It is precisely this paradoxical discursive position that popular representations occupy. There are basically two discursive strategies for dealing with this difficult position. First, popular economic representations quote other representations, which have already proved popular in other social spheres such as law or politics; e.g., the rhetoric of democracy can be used for defending financial markets (Frank 2000). A second strategy, which often goes along with the first one, is more complicated. It uses the spectacular excess of the economy for making economy popular: the theatrical architectural setting of the stock exchange, the visual abundance of corruption and expenditure, the mad speculator and the crash, or the fairy tale-like metamorphosis of the boy from the countryside to a successful global player (e.g., Oliver Stone's *Wall Street*, 1987).

Such popular economic representations are neither automatically subversive, nor do they necessarily provide an alternative view of the economy. They are a specific way of dealing with the identity construction of the economy – and it is this *process* of meaning construction that is contested and precarious. To put it differently, the criterion for speaking about popular representations is not a particular subject position such as the people, but a specific mode of communication and representation: the representation of the economy to an (imaginary) outside, thereby emphasizing the spectacular moments of the economy.

This brief discussion of popular economic representation already hints at the fact that the identity formation of social spheres such as the economy works differently from that of collective identities such as gender, class or ethnicity. The reason for this is that popular representations have to articulate what is specific to a social sphere – in our case, the stock market – with the mode of inclusion and exclusion of that sphere (e.g., the picture of the ideal investor). Niklas Luhmann's (1997) systems theory helps us to conceptually distinguish these two different requirements of representation.<sup>7</sup>

First, finance has to represent its *functional form of systems differentiation (systems/environment)*. It is here that a system distinguishes its own mode of operation from its environment. Self-representation has to show what is characteristic for the operations of the financial system and how it distinguishes itself from other economic and non-economic operations. The central problem is to represent the specific *mode* of communication. What has to be made visible is *how* a system communicates. Representations have to tackle questions about the specific difference of a particular system: how, for example, is it possible to picture the difference between monetary and legal communication? For this purpose, very often allegories – such as that of bull and bear for representing the dynamics of financial markets – are used. Alternatively, cyclical metaphors

7 It is impossible to introduce Luhmann's systems theory here. For a good English introduction, see William Rasch (2000).

from diverse areas such as sports underline the closure of the economy. This is impressively shown in a commercial for Charles Schwab, shot shortly after the breakdown of the New Economy (Picabo Street, 2001). The commercial shows a young black woman in a gym doing exercises. She says: "People still ask me about the crash." Saying this, she goes down – but then, quickly, moves up again, explaining that it is only a "market correction." The spot normalizes the crisis of the New Economy by using the picture of the everyday athlete. Discussion of the crisis is put into past tense, which indicates that the crisis has been successfully overcome. Moreover, it is presented as the correction of a market state that has been wrong and which has now found its "normal" state. The cyclical movements of the woman become a metaphor for market movements. They are presented as something that every sportsman/speculator knows: after going down, things will move up again.

The second challenge for representation is the *form of inclusion/exclusion*. While the first distinction has addressed *how* financial communication works, this distinction problematizes the *access* to the stock market: *who* can participate in financial communication and who is excluded from it. One of the strengths of post-foundationalist approaches such as systems theory is that they are able to separate these two questions. Similar to Foucault's claim of the death of the author, the "who"-question cannot provide an answer to the specific mode of communication. We cannot deduce the characteristics of financial communications from individual speculators and their motivations. Nevertheless, finance has to regulate its mode of inclusion and exclusion. Thus, the task of representation differs from the first one. Now the process of inclusion itself and figures of inclusion such as that of the speculator have to be represented. A well-known example from the sphere of politics is the illustration of Hobbes's Leviathan: the body of the state is composed of many small bodies.

These two forms – the representation of the system/environment and that of the inclusion/exclusion-distinction – cannot be reduced to each other. Speaking about who has access to a social sphere does not answer the question of the specific mode of communication within that sphere. Because of this irreducibility, representational strategies have to *articulate* the two representational problems. A typical strategy of articulation is to put the two representational problems into a metaphorical relationship, as in the body of the Leviathan. The people not only stand for themselves as the totality of the included, but, first of all, they become a political symbol for the state. The Charles Schwab commercial "Picabo Street," which I have mentioned above, also articulates the two problems of representation with the help of the body. The sportive movements of the female body represent financial markets as intrinsically cyclical (form of system/environment-differentiation); the young black athlete addresses the problem of exclusion: she is representative of a large group of potential investors who are not yet participating in financial markets (form of inclusion/exclusion). The visual articulation of the two different problems – cyclical "nature" of markets and excluded black women – uses the body as tool of articulation. The common denominator of the process of inclusion and the working of financial markets is represented as a problem of

self-discipline. If the woman interrupts her exercises, the market won't get up again!

The articulation of the two dimensions of identity proves to be a crucial site for a plurality of representation. Since the two problems are irreducible, their articulation opens up a space for different and often contradictory articulations. It is impossible to deduce how the representation of the system's functional identity and that of its inclusionary identity will be articulated. In what follows, I want to focus on a commercial that exemplarily shows the ambiguities and paradoxes that are generated by such articulations.

## **The stock market in finance commercials**

At the height of the New Economy, the US online broker Datek Online produced the commercial *The Wall* (1999). Although this commercial is not representative of financial advertising in general, it is a good example for visualizing what Thomas Frank (2001) has called "market populism": "Markets expressed the popular will more articulately and more meaningfully than did mere elections. Markets conferred democratic legitimacy; markets were a friend of the little guy; markets brought down the pompous and the snooty; markets gave us what we wanted; markets looked out for our interests" (Frank 2001, xiv). Market populism presents the market as the very principle of democracy. The market is seen as more democratic than political democracy, as the voice of the people – that is why it adapts many discursive elements from radical ideas of democracy that go beyond liberal democracy. This is also indicated with the subtitle of the spot "Riot à la Bastille Day." The destiny of radical democracy is, then, not a matter of political transformation, but rather dependent on the realization of a pure market principle.

Drawing from the rhetoric of democracy, the spot tells a classical narrative of inclusion. It starts with a shot of the inside of a stock exchange where we see a screen with blurred financial information. Only after having seen the market on the screen, the spot shifts to the trading floor with a busy trading crowd. Very soon, however, we become aware of a wall between the trading crowd on the floor and its outside. There is an angry crowd on the street, shaking the huge door of the Exchange, and a crowd, already within the building on the visitors' gallery. Although the excluded on the visitor's gallery can observe the traders, they are still separated from them by a glass wall. For the excluded, the object of desire is not only watching the trading floor, but taking part in it.

This exposition of an included and an excluded crowd introduces a visual narrative of how the separating walls are overcome. Drawing from a political, revolutionary iconography of the French Revolution and the fall of the German Wall in 1989, we witness how the door and the glass wall are destroyed by the excluded. The spot ends with the spectacular collapse of the distinction between the included and excluded, a unification of those who were separated by material boundaries. The off-commentary says: "Until now, there has been a wall between you and the tools of serious trading. That wall is coming down." The narrative is

supported by a soundtrack, which starts with a tuba, turns into a wild techno beat, and finishes with festive music, celebrating the fall of the wall.

Although the spot performs a classical narrative of inclusion – a narrative on getting access to a new social sphere – it should not be reduced to the problem of inclusion. Rather, it also negotiates the tension between the two dimensions of identity representation, which I have introduced above. In what follows I want to analyze its visual and discursive logic by looking at how the system/environment-form is related to that of inclusion/exclusion, i.e., how the picture of the *way* financial communication works is articulated with the representation of who has (or ought to have) access to it.

### > Representation of the system/environment–distinction

Although the spot focuses on the problem of exclusion and inclusion, it still has to represent what is specific to the stock market, thereby differentiating it from other social spheres. There are two different means that are used for indicating the specificity of financial communication. First, and this is quite obvious, the impressive *architecture* of the Exchange symbolizes the place of speculation. The spot uses elements of several stock exchange buildings (including elements of the NYSE), which are combined for creating an ideal type (*Idealtypus*) of an Exchange (Garcia 1999, 1). The architecture also represents the frontier between the excluded and included. I return to this point below.

While the architecture indicates the place of the financial market, the market itself is represented differently. The first shot shows us a computer screen with blurred financial information. The invisibility of finance is represented by the computer screens, which make the economy visible. Thus, a secondary representation – the representation of a media representation – is one of the ways of dealing with the invisibility of economics. What we find on the screen is the market in *real-time*. For the viewer of the spot, it is not crucial to decode the information on the screen, but to note its presence. The screens themselves become a metaphor for the stock market. They indicate the presence of an otherwise invisible market.

This medial structure of the market had already been emphasized before electronic media were introduced (cf. Ingrassia 1998, 6). Already in the beginning of the 1960s, a popular investment author who used the pseudonym Adam Smith described the presence of the stock market basically as a media experience: "All you have is a ticker tape recording market actions, and a certain number of board rooms all over the country watching this movement" (Smith 1967, 40).<sup>8</sup> The market does not exist prior or external to its media representation. Even the picture of the trading crowd is secondary to that of the market screen. Representing the market by showing its media of representation creates a crucial additional effect: it normalizes the market since the observer knows that there will be a

8 See Stäheli (2004) for a genealogy of the ticker, which was invented at the end of the nineteenth century, as market medium.

steady flow of quotes. There may be huge market movements, but there is still the certainty that each of these movements can be represented on the screen.

Thus, there are three closely interconnected ways of marking the specificity of financial communication: The architecture represents the place of financial communication, in contrast to the idea of placeless financial flows. Architecture, then, is supplemented with market media, creating the presence of the market as real-time event. And, third, there is the trading crowd, which, as we will see, is constituted by its place and its relation to media technologies.

### **> Representation of the form of inclusion**

The narrative of inclusion develops within this architectural and media assemblage. Now, it is no longer the question of how financial speculation distinguishes itself from other social practices, but the question of who has or ought to have access to financial speculation. To accomplish this, the commercial confronts us with two pictures of the crowd: the crowd of the excluded not-yet speculators,<sup>9</sup> eagerly awaiting their access to the stock exchange, on the one hand; and, on the other hand, the trading crowd, i.e., the traders already on the floor of the stock exchange.

It is important to recall that the spot does not start with a picture of the trading crowd, but with the media representation of the market. It is this representation, which is more “real” than the market behavior on the trading floor. The trading crowd is represented through hectic camera movements, underlining the dynamics of the market behavior. From time to time, the camera zooms in on a trader, thus individualizing them. What is striking is that individualized traders are always closely linked with a medium, be it a telephone or a computer screen. This underlines that the subjectivity of a professional trader is always also a media subjectivity. To put it differently, the construction of Homo Economicus involves a complex media anthropology: Homo Economicus is always already a cyborg, since it is only the close articulation between the human body and information technologies which enables him or her to process economic information. One of the implications of the efficient market hypothesis, which is often overlooked, is precisely that it presupposes such a media subjectivity.

The commercial also visualizes a second type of crowd. It is the crowd of excluded small investors on the street, eagerly awaiting unmediated access to the stock market. Similar to the first one, it is a dynamic crowd, which is, however, potentially dangerous. The commercial alludes to a revolutionary iconography, in the sense of its subtitle “Riot à la Bastille Day.” This revolutionary crowd is deindividualized and reduced to bodies – it is a crowd whose only media are their own body. And it is mostly not whole bodies of the excluded, but body parts that are foregrounded. What becomes apparent is, again, the intrinsic link between

9 This includes speculators who might have been investing but mediated by a broker. Within discourses of speculation, a true speculator is one who engages directly with the market.

media of representation and economic subjectivity. The excluded crowd is not only outside the stock exchange (or retained on the gallery), but is also deprived of any media. Even simple media such as political banners, typical for revolutionary crowds, or megaphones are missing. This puts into scene an essential lack of the excluded "not-yet" speculators. They are not yet full economic subjects since they are reduced to only one medium: their bodies. To become economic subjects, they have to link up with media of inclusion rather than being represented by brokers.

How do these two crowds – the trading crowd and the excluded crowd – relate to each other? First of all, there is a clear boundary between the two crowds. The separation of the two crowds is organized by the architecture of the Stock Exchange. There are two walls in between them: the huge doors of the stock exchange and the glass panel of the visitors gallery. Furthermore, the media differentiate between the two crowds: The excluded crowd is truly an archaic crowd, reduced to their bodies and clothes as their only media for expressing their revolutionary message. But these two crowds are also closely interlinked by the usage of "visual analogies" (Messaris 1997, 191ff.). By cross-cutting the crowd episode in front of the Exchange and the trading crowd inside it, the commercial underlines that there is a fundamental similarity between the two crowds. This visual analogy of two crowds creates a double articulation: On one hand, the similarity of the two crowds suggests that there is no fundamental difference between them. The excluded might become the included since both of them constitute crowds! On the other hand, the excluded crowd is shown as a traditionally revolutionary crowd, which, however, also points at the "financial revolution" represented by the inside of the stock exchange. Thus, the commercial works with a complex articulation of difference and similarity. The included and excluded are different and the same.

### **> Articulation of the system's form of differentiation and its form of inclusion**

The commercial not only creates a visual analogy between the included and excluded. It also articulates the two different ways of representing financial economy: its representation of the market by the screens and ticker tapes, and its representation of inclusion. There are two crucial pictures, which exemplarily articulate the two dimensions of representation.

The *first articulation* shows the crowd on the electronic tape (Figure 15.1). The crowd no longer stays on the trading floor or in front of the door of the Exchange. Nor does it simply become a part of the traders. Now, it finds itself on the screen of the ticker. Instead of quotes, we can read "ctors in panic."<sup>10</sup> This brief message initiates the breaking down of the walls. Before the crowd enters the stock exchange, it is already represented with and on the market media. Nevertheless,

10 The missing "a," without getting here into a Lacanian reading, points at the incomplete constitution of these actors who are not yet fully individualized economic subjects.

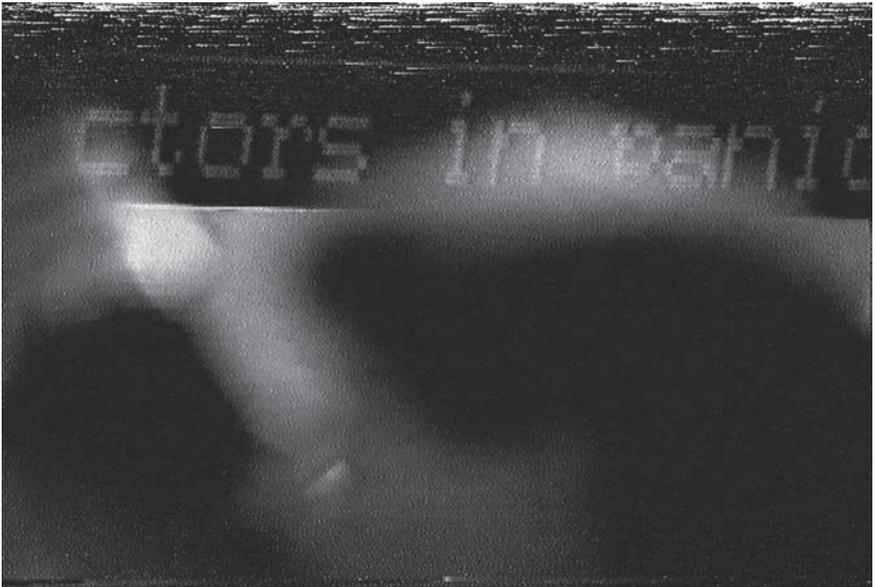


Figure 15.1 Datek Online (*The Wall*): The crowd on the ticker (Articulation I)

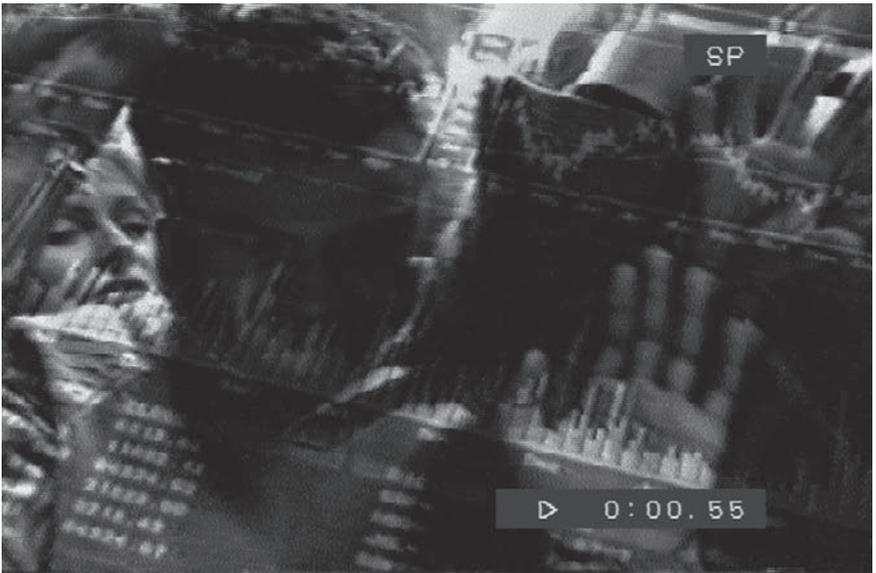


Figure 15.2 Datek Online (*The Wall*): Economic Information and the Crowd (Articulation II)

the question of who actually is in panic remains open: the excluded, having turned into a violent mob, or the included, afraid of what is happening on the street. In any case, the quotes are no longer the dominant information; they are replaced by the process of inclusion itself.

The *second articulation* consists of a nearly complementary shot (Figure 15.2). The camera shows the glass wall of the visitor's gallery from the perspective of the trading floor. The market information on the screens is now reflected on the glass panels of the visitor gallery. In this way, the glass wall is transformed into a mirror and it turns itself into a plane of projection. It thereby fuses the angry, revolutionary crowd with the market information. In the beginning of the commercial, the glass wall was a literally clear boundary, marking that which separates the included and excluded. Now it is precisely this boundary that turns into a medium of representation, fusing two separate spheres. The former boundary has turned into a screen of projection where the impossible happens. Blurred reflections of financial information overlap with fuzzy pictures of faces and body parts of the excluded.

These two points of articulation are the signal for overcoming the exclusion of wannabe-speculators. The off-comment says: "Until now there has been a wall between you and the tools of serious trading. That wall is coming down." Festive music starts, and the glass window bursts (Figure 15.3). It turns into a spectacular white rain.<sup>11</sup>

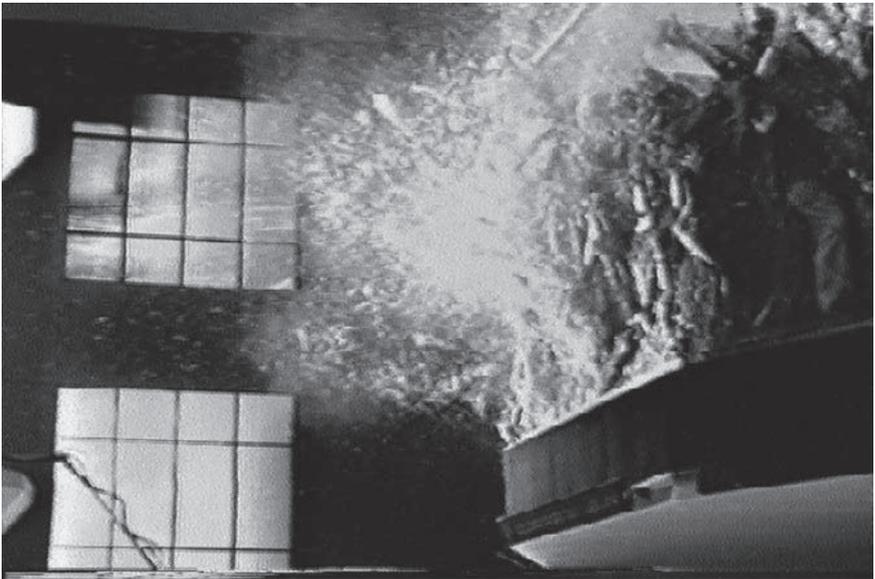


Figure 15.3 Datek Online (*The Wall*): White Rain—Breaking Down the Wall

11 "White rain" also alludes to "white noise," which is a noise consisting of all frequencies, thus, being the sound of universalism.

According to Elias Canetti (1993, 95), rain is one of the crucial symbols of the crowd. It shows how the crowd discharges and decomposes. What this decomposition means in the spot remains open: the making of new investors or the orgiastic fusion of two crowds, which were once separated.

I want to conclude with two different readings of this articulation between the market and the crowd. The preferred reading focuses on the narrative of inclusion (cf. Hall 1980). In line with its revolutionary iconography, it celebrates the unconditional openness of financial markets. Those who have been excluded are not only allowed to watch the market from a distance, but they literally become the market. Inclusion is represented as caused by a nexus of media and politics: New media make it possible to overcome older media such as architecture. The architectural boundaries are boundaries of a past age – an age before online trading had been established. The political separation between those outside and those inside is represented as linked to the architectural organization of social space: huge doors and a glass wall stand for this “old age” of investing.

However, the spot offers a second, more unsettling reading. Now, the articulation of the market and the crowd does not result in a happy ending. What is represented is the very impossibility of unifying the market with the idea of all-inclusion. While the first reading presented the popular universalization of the market as something in line with the market logic, the second reading problematizes this articulation. Now, inclusion is represented as a threat to the market. The reason for this is that the process of inclusion starts to destroy the means of representing the market. This is precisely what is indicated with the two pictures of articulation discussed above. Instead of representing the most recent quotes, the ticker only confronts the crowd with itself: “(a)ctors in panic.” The process of inclusion – and its imaginary representations – is now the dominant information, displacing the quotes which are usually on the screens and ticker tapes. This generates a short circuit between the form of inclusion and that of functional systems differentiation. Inclusion becomes self-referential: successful inclusion no longer offers access to market information, but rather to the process of inclusion itself. Gabriel Tarde has described this self-referential nature of crowd processes as “love crowds”: “The crowd attracts and admires the crowd” (Tarde 1989, 58). Such “love crowds” do not gather for external reasons, but they emerge because of “the pleasure of gathering for the sake gathering” (Tarde 1989, 58; my translation).

Such a self-referentiality of the process of inclusion, however, threatens the visibility of the market. It is not only that financial information is displaced, but the very medium of visibility is damaged by the process of inclusion. This is best visualised in the second point of articulation where the glass panel of the gallery undergoes a transformation once more. First, it was the boundary, separating the excluded from the included. Then it became a screen of projection for financial communication. And this screen of the market, which only makes the market readable, dissolves finally in the white rain of the crowd. The excluded crowd literally steps into the market, thereby destroying the media which make the market readable. Thus, the representation of inclusion as media problematic is complemented with a representation of the market as made through media.

The market media, such as the screens, are not simply technical devices for visualizing the market. Rather, they inscribe the market, thereby constituting the market: making the market visible is not making something visible which already pre-exists, but it is itself constitutive of the market. That is why "white rain" is not innocent – it is fatal for the working of the market. The spot, thereby, undermines its optimistic "market populism" since it shows what happens if the imaginary ideal of a universal inclusion without exclusion becomes true: the loss of the readability of the market.

This close reading (or better, close watching) of this financial commercial is a good example of what David Ruccio and Jack Amariglio (2003, 252–88) have called "everyday economics." The analysis has shown that everyday representations of the economy do not necessarily have to originate from a marginal and non-hegemonic subject position for going beyond the ideal representation of economy within academic economics. The Datek commercial is certainly not produced by a leftist group that looks for alternative representations of capitalism. Rather, it is an advertisement trying to represent finance as an attractive and popular place – it is an attempt to contribute to what the former American ambassador to France and investment banker Felix Rohatyn (2002) has called "popular capitalism." And it is this position, firmly within the hegemonic capitalist imaginary, which makes such representations so powerful and analytically interesting. The commercial thematizes the tension between the expert knowledge of the traders and the popular knowledge of the excluded. Precisely because it attempts to represent financial economy as a truly universal system, it must address this divide. It thereby implicitly points to a crucial dimension of everyday economics: economic universalism does not come for free. Everyday economics has to be used for supporting these processes of universalization – that is, for making capitalism popular. One might be tempted to describe this function of everyday economics as ideological. However, such a reading would miss the fact that such popular representations are not simply an "easy-to-understand" economics. Rather they use the popular and everyday elements that are – similar to metaphors – always already a part of academic and everyday economic knowledge. The universalism, which economic theory simply presupposes, is now staged as an overwhelming spectacle that hints at the precarious nature of the financial economy.

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# 16 **Everyday economics and the Kentucky Community Farm Alliance**

An interview with Deborah Webb

*David F. Ruccio and Dwight Billings*

## **Introduction**

Kentucky's Community Farm Alliance (CFA) is widely recognized as one of the most effective grassroots agrarian organizations in the United States. It was established in 1985 at the height of that decade's farm crisis. Since then, the elimination of federal farm subsidies has begun to change the shape of US agriculture. So, too – at least potentially – has the allocation of billions of dollars from the national Master Tobacco Settlement Agreement (MTSA) in 1998 to states in compensation for the health costs associated with smoking. Kentucky's share of that settlement is more than \$3 billion over the next 25 years. Many states have used tobacco money to balance their budgets during times of economic retrenchment. Thanks predominantly to the political strength and savvy of CFA, however, the farmers and their political allies of the Blue Grass state have ensured through House Bill 611 that half of Kentucky's allotment (more than \$1.5 billion) will be used to strengthen the state's farm economy as its farmers wean themselves from tobacco cultivation.

During the last century, tobacco growing helped many of Kentucky's 86,000 independent farms (second highest in the nation) to stay in operation. With the elimination of quotas and administered purchase-prices for tobacco, the CFA contends that the survival of family farming will depend upon diversification – a risky venture for farmers when markets for diversified farm products cannot be assumed but must be built. In struggling to face this challenge, CFA has convinced Kentucky legislators to invest the state's tobacco settlement money in an Agricultural Development Fund that awards money to counties on the basis of the number of farms and the relative dependence of each county on tobacco production. Decisions on how to invest these funds locally are made by county councils made up primarily of farmers. In this innovative democratic process, alternative economic images, assumptions, claims, and representations are produced, debated and enacted.

In order to advance its particular vision of the present and future of Kentucky's farm economy, CFA has had to respond to negativity and defeatism among farmers, skepticism by agricultural economists and competing claims by proponents of industrial agriculture and biotechnology. Within sight of the Kentucky state capitol

in Frankfort on a warm day in September 2006, we sat outside CFA's main office with its director, Deborah Webb, to learn more about these challenges and possibilities.

## **Origins of the CFA**

*The Community Farm Alliance began as a response to the farm crisis of the mid-1980s, and you became involved soon thereafter. Can you describe for us the kinds of things that were "in the air" at that time?*

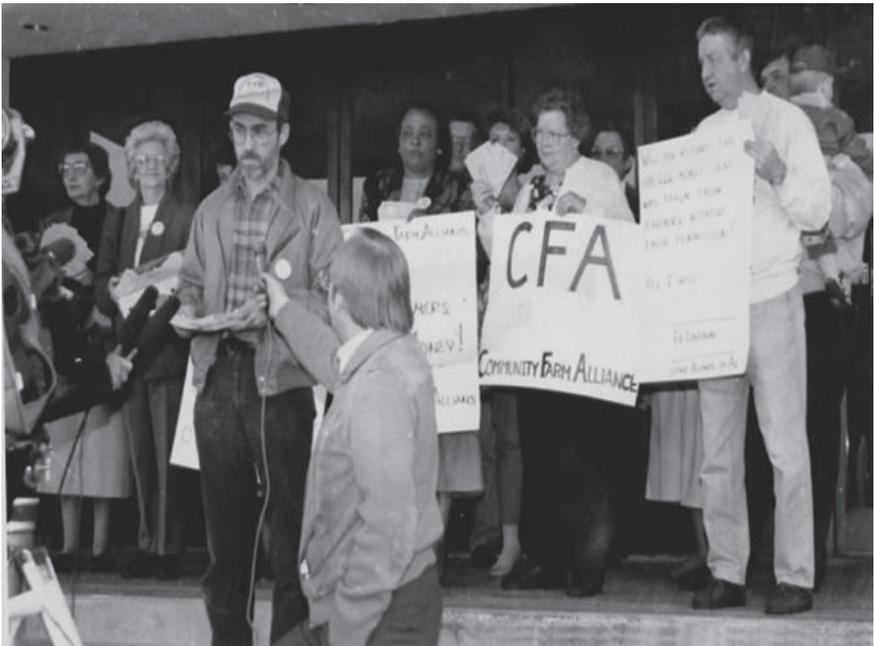
The CFA was born out of the farm crisis 19 years ago. There was a common feeling, not unjustified, that a bunch of "experts" – economists, lenders, universities, take your pick – had just managed to finagle a lot of good people into financial ruin. Farmers who had followed the advice of the experts and lending institutions were indeed the ones facing bankruptcy. The land grant universities across the nation had been singing the same mantra: get big or get out. Farmers lamented that if they had only followed their own common sense they would have been in better financial shape. There was a deep rage at lending institutions that had refused operating loans, unless the borrower agreed to buy more land or make other expensive (and risky) investments. All too often, that rage ended in suicide. All the farm institutions of the land joined in a chorus of blaming farmers for the mess, telling them they were "bad managers." Common sense and even an elementary understanding of economics begged to differ. The human pain and loss were almost too much to bear. This atmosphere gave birth to the CFA and dozens of farm organizations across the nation. From the very beginning, CFA members held the notion that those who have the problem should be in charge of the solution. University experts and lenders were not hanging themselves in the barn because they had failed. Indeed, it seemed that they had not even lost face so loud were the cries of denial of responsibility. Therefore, for the next 14 years CFA built an organization of rural people dedicated to the notion that they were the experts – they knew their problems and together we would find solutions.

*What could you and the other members of CFA do to help these farmers?*

Trying to put the resources together to help folks, but also pinpointing what those demands were and what it was – it was grossly unfair. You didn't have to understand very much to understand how unfair the crisis was working out. In other words, farmers were losing their land. The Production Credit Association (PCA), the Federal land bank, got some billion-dollar bailout for their stockholders, but they were still going to kick you off your land. So, somebody had to eat the loss there, and the way it was stacking up was that the farmers were going to eat the loss and nobody else. And so part of the organizing was to say, "Wait a minute. What's wrong with this picture?" and so the Agricultural Credit Adjustment Act of 1987 was the outcome. And that's probably the only win that the farming movement really had. But that saved thousands of farms across the country.

And of course the whole dialogue around farm policy was very different in the 1980s: we had moved so far away from talking about any real solutions. But at that time there was still a notion that this country should have a farm policy, that it was important, and that family farming was something valuable to this nation.

We had an early victory that delivered. Of course, at the time – you don't always know that you've won when you've won, right? I mean, it was not evident at that point in time that we would get what we got. The upshot of all that was in Kentucky we saved 7,000 farms, but across the nation there were probably 100,000 or more farms saved. Kentucky was somewhat insulated from the farm crisis because of tobacco and beef. Those were the two staples. And those two were not necessarily affected. But we still had serious problems.



## **The TOBACCO settlement**

*Kentucky has more farms and farm-dependent counties than any other state east of the Mississippi, ranking fourth in number of farms and second per capita in number of farmers nationally. And that's because, traditionally, many family farms were able to grow tobacco. After the tobacco settlement in 1998, the tobacco quotas were lowered, which had the effect of decreasing farmers' incomes, and the future of tobacco farming looked bleak. What role did CFA play with respect to the tobacco settlement in Kentucky?*

When the tobacco settlement was announced, farmers knew that the companies would try to make up that money from our income. The farm community in Kentucky began to look at those funds . . . as funds that should help us build a new future. That is how House Bill 611 was born. The legislation set up a democratic process for spending tobacco settlement monies. Tobacco-producing counties in Kentucky share settlement funds based upon their economic dependence on the crop. While most states applied their settlement monies to general expenditures, the vision put forward by CFA members prevailed, when the Kentucky legislature dedicated \$1.7 billion dollars in settlement funds to help tobacco-dependent communities transition to a diversified farm economy. House Bill 6113, passed in 2000, created county councils comprised of locally elected farmers and gave them a great deal of power over how funds are spent.

Across the state, 940 locally elected farmers serve on county councils. Because CFA was so closely associated with the legislation, CFA leaders were elected to the county councils across the state. County councils in 118 counties developed county diversification plans. Kentucky's Long-Range Plan identified the building of new markets as the number one priority in the state. Approximately 2000 projects and five model programs – the majority of which support a regional food approach – have been underwritten by \$300 million in tobacco settlement funds to date. The infusion of tobacco settlement money for diversification, the direction of the state's long-term agricultural plan and increasing markets for alternative products – these are all transforming Kentucky's agricultural economy.

As we see it, while farmers nationally lost their political base, and while other states lost family farms and skilled farmers within the last half of the twentieth century, Kentucky still has the farming population and infrastructure to create a new and viable agricultural system that serves both urban and rural people. And so when it became clear that tobacco would not sustain another generation, people naturally were not content to simply find a substitute income but rather began to tease apart what rural communities would need culturally, politically as well as economically in order to survive the transition that is coming and indeed is here. CFA not only organized county councils, but devised a participatory planning process used by county councils across the state, and created a Greenprint as a template for the state's long-range plan governing the use of tobacco settlement funds over 20 years. CFA members saw their proposals enacted as model programs, legislation or policy. Then our membership began to design a model for a new agricultural economy.

*Where did the idea of the Greenprint come from?*

In reaction to the state, because the state was going to do a Blueprint, and they had hired this guy, Ray Goldberg, out of Harvard to come in here and layout this plan – like, why do we have an Agriculture Development Board? Why do we have county councils? The governor just went out and hired this guy out of his own budget to come in here and give us a plan, and we just went nuts over that. Fortunately, nothing ever happened with it. This guy had

coined the term “agribusiness” in the 1950s and his new one was “agriceuticals.” This was when biotech was a big threat to the tobacco settlement money. So we did the Greenprint, which had three principles: we need a new economy; we need a new politics; and we need a new culture in Kentucky. The new economy idea was that local economies make a strong state economy. Instead of the whole way the state has done economic development, which was to bring the big company in here and let it trickle down, and we’re saying, “No, no, no.” I mean that did work with Toyota, but boy we spent a lot of money where it didn’t work. And we said, “Put the money in locally and let it build up, instead of the other way around.” You can’t have political democracy without economic democracy.

*And from this Greenprint you came up with your vision of LIFE?*

Kentucky is the first state to attempt to envision a systematic and comprehensive food system. There are no US models, so CFA members looked to Europe. European country plans typically include transition goals with an analysis of needed policy changes. Plans evaluate the present situation and outline 5 year targets, tied to ten-year goals and 20-year visions. Accordingly, CFA published *Bringing Kentucky’s Food and Farm Economy Home* in 2003, explaining the status of Kentucky’s current food situation and outlining the basic strategies necessary to creating a locally integrated food economy (LIFE). CFA leaders delineated five-year goals. Tobacco settlement funds will run out in 2025. If Kentucky is to achieve a local food economy by that time, then there must be an attempt to plan the incremental stages of development. It is obvious that the next stage is to develop the markets that will support the extraordinary amount of diversification that Kentucky farmers have undertaken.

## L.I.F.E

**Locally  
Integrated  
Food  
Economy**



### **Future for family farming?**

*But, even with this vision of LIFE, is there really a future for family farming in Kentucky?*

We just had a CFA retreat this weekend and people had a lot of questions, and we didn't get to all of them. But one of them that we did get to was: "Where does the next generation of farmers come from? If we're building this LIFE, this locally integrated farm economy that we're trying as our solution, then where does this next generation come from?" So we had some young farmers in the room and our old diehards.

We have to admit that many of the older farmers don't see why pursuing any of this makes any sense, because if you can't make a living, you can't make a living. And the young guys are going, "But I'm willing to work hard, and I want to do this." The farm kids are basically leaving the farms in droves. You can't make a living doing it. Their parents discourage them, and they leave, or they do something else. So what you've got is a generation of these urban kids who are interested in farming.

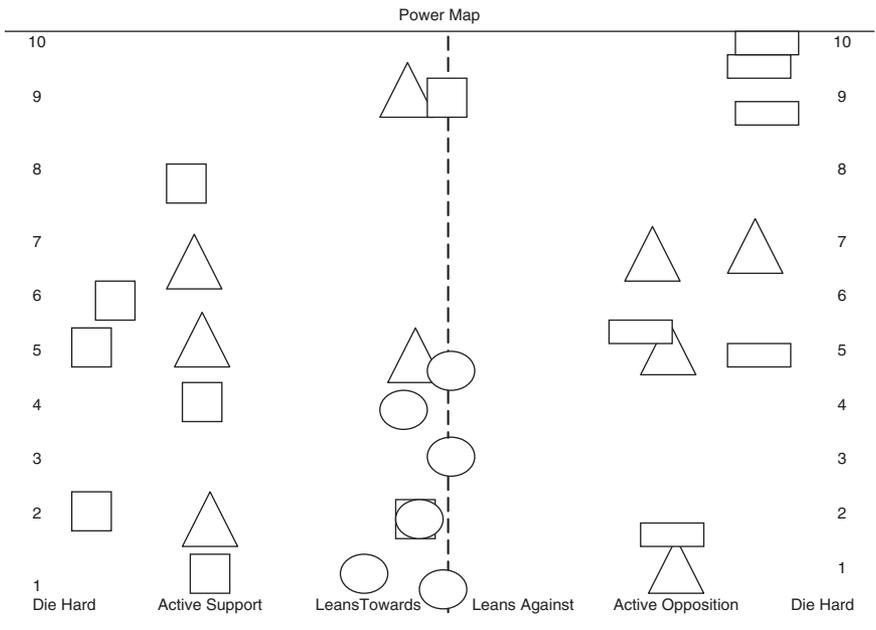
Some of this is the tension between thinking about a farm economy in new ways versus what you've done in the past. And it does have to be new. And they're thinking they're energetic, and that they can be entrepreneurial, and they can do direct marketing, and they're saying, "Oh, but this mentoring program with the older generation would be great because there are new ideas, but I don't have some crucial knowledge." And some of the older guys are going, "Yeah, well, lemme tell ya."

The real trick – and everybody understands this – is you build a market: if farming were profitable, you wouldn't have this problem. If you could make a living farming, you would have a next generation. And as long as you can't make a living farming, you're not going to have a next generation. So fundamentally, it's like markets, markets, markets.

*So, given the fatalism of at least some of the farmers in the state, where does the future lie?*

Let's do three categories here: first, there are the hopeless, those who don't see a future for themselves or for others. And then there are your middle-aged, doing-new, because they are *extremely* important. Right now, this is the salvation crowd. That's why you just can't make it: just old versus young. And then, third, the young pups.

The hopeless – which, sadly – that's probably the majority. And in fact, one of the goals of this year's work plan was to gain more acceptance that a LIFE was the solution for Kentucky's rural communities. The members of CFA buy into LIFE, but they've been frustrated by the negativity. The hopeless group is inclined to be negative but they would really like to have some kind of solution. And then you get somebody else with a little bit more stature or something, who isn't hurting, who comes in and tells everybody about why they can't do whatever. And actually that's a political thing. That's the power map. So one of the things we said, one of the things that we need to do, is get them to see who is lined up for change, who is against change, and who's in the middle. And why that might be the case. For that, we invented the "power map."



*What about the urban areas? CFA started out as an organization of farmers but have you been able to make any inroads in cities like Louisville and Lexington?*

We have had more acceptance of that in the urban areas, and we've been very surprised, I think, at how much that's sold in the urban areas. And that was a huge boost to people to realize that: "Oh, this urban organizing – these are some badly needed allies, and we need this kind of power."

### Fighting conventional wisdom

*So, CFA is trying to forge new links between rural farmers and urban consumers?*

Initially, rural leaders realized that the state's biggest markets were urban. If CFA was going to get involved in establishing urban markets, leaders began to ask, could this also build a bigger political base, and finally, could building relationships with urban people help cushion the loss of culture felt by tobacco-growing regions? CFA farm leaders began to realize that building an urban presence was not just about markets, but that a new food economy must create jobs for urban people, must build mutually beneficial political power and must replace the old isolationism with a broader sense of community.

*So, where did the idea of starting a farmers' market in West Louisville come from?*

We wanted to start a farmers' market that would be successful in a low-income neighborhood so that it could be held up to the state to say, "Look, broaden your thinking. This will work no matter where." We have to make it work everywhere. We have to be able to create a food system that takes care of everybody, not just high-end, rich, white people interested in organics.

Now, now that's an exaggeration – I'm kind of polarizing it – but that's the impetus behind that kind of thinking. So the original notion was to dispel that myth. Or the conventional wisdom. I wouldn't hang it just on the Agriculture school. I would say that your typical farmer in the state, all the institutions, that's the talk. So whether it's the Department of Agriculture, whether it's the Ag school, the Farm Bureau, the legislature – you know that's just the conventional wisdom, that the local food that we kept talking about was a niche market – which of course it is. But it was said as if that was a bad thing, that that was a little bitty thing, and that it really didn't create enough opportunity for them to pay attention.

I'll admit, there's a reason why farmers' markets start high-end. But it doesn't mean that's where it ends. It's the lack of imagination, I think, that CFA fights consistently everywhere – with our own constituency, with decision-makers, everywhere. It's just a lack of imagination. Just because it's this way now doesn't mean that you can't change it. It isn't the end-all and you've got a jumping-off point. But people tend to take whatever it is as an end-all, instead of the jumping-off point. Maybe that's something that makes us successful – the extent that we see everything is a jumping-off point. Nothing is just as it is.

*So, you are willing to challenge common sense and encourage people to think outside of whatever that box is that confines common sense?*

Well, common sense doesn't make a lot of common sense sometimes. It's always the, "Why? Says who? How come?" I mean, it seems counterintuitive. Some of those conventional wisdoms don't make any sense. If we believe that our food system is in such trouble, we have to create a new one; and if we believe that farming is an honorable profession and that a civilization really can not sustain itself without having land distributed throughout the population and growing food, then we have to solve these things. We have a food system that is extraordinarily vulnerable, that is crazy – it's crazy that the average food travels 1,500 miles from farm to table. And we think that a local food system can work and should work. It's a matter of who makes the money. That's really the difference. And we would rather that ordinary people make the money than a handful of companies.

*What was the fight before, when CFA was just getting started?*

It was over the future of Kentucky agriculture. They'd say tobacco was never going to go away – you'd hear that; that our dairies have to get bigger – we fought off a dairy program, where they wanted to give the biggest dairies in the state

money to buy more cows. And we're going, "No, no, no, no, no, no. Industrial farming is not our future." Those threads are still there: "The chicken industry will be the savior of Kentucky farms"; or "Bigger is better." There was a lot of trashing of our farmers.

The two things that get CFA folks the most upset are, first, that our production numbers are not great. But they ignore the fact that we've got hilly marginal land. And, second, that our farmers aren't educated, which is true. In the 1980s, a third of our folks, a third of the farmers had not graduated from high school, a third had high school diplomas, and a third graduate from college. But it was their fault somehow, you know? And they weren't using the latest methods. There was a tremendous grass-roots resistance to the bovine growth hormone (BGH) and of course farmers were absolutely right about that, and now they're going back and they're going away from it. That was a Monsanto money-making scheme, if there ever was one. The University of Kentucky bought into it – Monsanto was giving them money, and they were pushing the BGH. Well, you had all kinds of mastitis problems with the cows. The consumers didn't want growth hormones in their milk, and it was a headache, a management headache that was unnecessary from a farmer's perspective. And the only one who won out of that whole thing was Monsanto. Those kinds of things – I guess that's a really good example, the kinds of tensions we had over the future of Kentucky farming.

*If you're building markets, why wouldn't an agricultural economist be interested in that? Why wouldn't they want to throw themselves into that?*

Yeah, yeah. "Where are the good-guy economists?" is the question we often ask ourselves, because most of the stuff we'd gotten out of UK (University of Kentucky) Agriculture economists is basically a long list of why you can't do what you want to do. That was the *help*. They don't even do studies on our stuff. They just espouse their so-called wisdom about why it won't work and why it can't be done. They know what *is*. They know how it is, and they just want to tell you that it can't ever be any differently. And that the train is leaving the stations towards more industrial farming, even when you want to go in the opposite direction.

## **Measuring the food system**

*Can't you just show these economists and other naysayers, with facts and figures, how important a LIFE is?*

One of our challenges with agriculture and about painting the picture in terms of keeping statistics is we don't keep track of markets. Unlike Europe, which has a whole different set of statistics that they keep, because they're looking at markets. Well, in the United States, we don't look at markets; we look at commodities, like corn and soybeans. You get into that retail trade census, too. There are four categories of retail outlets and Wal-Mart is not in the top four. Well, how does that happen? Because I think – and we need to investigate this and this is where we got

stuck – they have another item – called what, specialty stores? And they put the supercenter in the specialty stores instead of in the supermarkets and you just want to pull your hair out. There’s a great example of academic representations versus “ok, what do we need here? What’s useful to understand our economy?” It can’t be to put the supercenter in the specialty store. So, right now we’re working on just this for this urban audience to understand how concentration in food retailing takes place, and what the implications of concentration are in food retailing, because we don’t want people to be asking for a new Kroger.

And, as it turns out, you have to do more research. What drives us nuts is how things are categorized and what they look at, and it’s skewed. In other words, we have such a difficult time doing our research because they’re not looking at and measuring the right categories or the right things – either they’re not paying attention to it all and they’re missing, or you have these counterintuitive (or what seems counterintuitive from a grass-roots perspective) about “Oh, a supercenter isn’t a grocery store. It’s a specialty store.” And there’s no way to compare the specialty stores to the supermarkets in order to get a better picture of what’s going on. All we’re trying to do is get this rough outline: What are the trends? What’s happening? Who are the biggest? Where do they own stores? How is this impacting food deserts? It is literally creating food deserts. I believe that.

Another example: you write to the farmers’ market specialist to ask for some statistics and she says, “I have no idea.” They don’t think it’s important enough to keep. They don’t see the relationship. Farmers’ markets are incubators. Farmers’ markets are wonderful because there is very little investment, and they give that immediate outlet to people who are trying to do something different. And they make more things possible. That’s our viewpoint. The state, the legislature – the Legislative Oversight Committee, the Agriculture Development Board, they don’t – they are not getting it – if we don’t tell them, and just because we tell them doesn’t mean they are listening – they don’t understand the relationship between these things. So the farmers’ markets are really important, and I think that the attitude is still – although it is probably changing a little – that these are marginal. “So, what? It’s not real money, nobody can make a living from a farmers’ market.” That’s true. “It’s just peripheral income. It’s not terribly significant.” And every time we give them examples, we’re being “anecdotal,” which for them means we’re not real.

## **Farm economies**

*It’s clearly difficult to get the information you want. How, then, do you see the farm economy?*

This is what any agricultural economy is: natural resources, production, marketing, and distribution. These are the elements, no matter what. You have your natural resources, which have something to do with production – I mean it’s amazing in this country that we’re so far removed from agriculture that people don’t even understand it. The kids wanted the oranges, and I had one of the adults

ask me afterwards: “how come we can’t have orange trees here?” So, land matters. And then you have production: you do something with that land. And then whatever you grow – you do something to whatever you grow *most* of the time – you can eat an apple just as an apple, or a tomato – but most of it is made into something else. That’s the value-added. And then you have to market it. And then you have to get it to where it’s going – so you have to distribute it. These are the basic elements of any agricultural economy. And what we’re saying is that a local food economy gives you the ability to be more environmentally in tune with what’s appropriate. It gives you the ability for, at every stage here, local people to be making the money, and for the money to be circulating and creating more wealth. Ultimately, we say this creates wealth, whereas the industrial system doesn’t take into account natural resources or any kind of environmental protection or sustainability. They mass-produce. So, local people don’t make the value-added money, right? Companies do. They mass-market, and you have a distribution system that I think is insane, just insane.

*What are the implications of that approach to farming?*

That model is a kind of a siphon of wealth from the local level. When Tyson’s comes in here and gets a \$254 million tax break, that’s what they got. And they bring people up from the Mexican border and they dump them on the Red Cross there in Hendersonville until they get their first paycheck. And then they get busted on their illegal immigration stuff, and there are no local jobs, and all the money goes back to Arkansas or wherever. And you’re left with a bunch of human and environmental problems. Tyson’s farmers are contractors; they’re not in charge of their own farming operation. It’s even a myth that they’re farmers. The truth is that those companies send in scouts ahead of time that buy up farm land – I mean, that’s one thing we’ve discovered: that it’s not even really farmers. They call themselves farmers but they’re investors that come, scout, buy it up, and then here come the chicken holes. Who that creates wealth for is beyond me. I mean Cagle came into Albany, in Clinton County. And the county jails were full of immigrants when the INS [Immigration and Naturalization Service] would show up at the plant gates. I don’t know what we’re doing. I don’t know how that makes any sense. Those people contribute campaign dollars, and they seem to be able to seduce some kind of agricultural leadership, however they do that. And CFA is consistently challenging that kind of stuff, throughout our whole history. What’s been more difficult is to create the policies that would support a different way of doing things.

## **Spreading the money around**

*What is your vision of, as you put it, a “different way of doing things”?*

One of the things that CFA is doing – if you want a little bit of vision but this hasn’t happened yet – are the regional marketing processing centers. One of

the things we got funded was that program. The state said: "Let's build three big farmers' markets. Let's do one in Cincinnati, one in Louisville, and one in Lexington." Mega-markets, like in Asheville, North Carolina. And we're going: "No, no, no. Spread this money out." The state was looking at those mega-markets, like Asheville, North Carolina. We said no because those folks don't make any money. And, besides, you've already got a neighborhood system in Louisville. Let's make that neighborhood system work. Lexington has a successful farmers' market that's growing, right? Let's let them be in charge. Let's let them grow it. It is a business even if it is collective. Let them grow it. Don't come dump things that they're not asking for on top of them. So we have over 110 farmers' markets in the state, and that also was a direct result of 611 money. So we're seventh in the nation now – overnight – in the number of farmers' markets.

In addition, let's do ten regional marketing processing centers, no more than a million dollars each, because the amount of money and the amount of investment that you put into something has – from our viewpoint, we want things to grow slow and steady because we're growing our ability to produce for the markets at the same time that we're trying to grow the markets. So you put in something great, big and what happens is somebody who either has the wherewithal to do that – which means more than likely at the top of the food chain – ok, they have more land they have more whatever, more wealth – either takes advantage of it or, in truth, you get outsiders coming in and taking advantage of it. And that's what happens in North Carolina. It's called pin-hooking. And it's really middlemen making the money and farmers don't make anything. And that is not creating wealth from our viewpoint. So I think the consistent theme throughout this is about how to spend the money from CFA's viewpoint in small amounts strategically placed all over the place, one thing at a time. You build a food system, and you build this economy over time. You don't just dump money in it and then somebody has to worry about it. The state gets so concerned if: "Oh, if we do a 10 million dollar market, then somehow it has to pay for itself over time." And it's totally irrelevant.

Instead, you can do a million-dollar investment in each of ten different places. You have to have seven county councils that agree. That's part of the deal. And then it's their choice. And this was the other part that CFA did – it is a flexible program. So that if you want just a farmers' market to start off with, you can do that. If you want a community kitchen tied to it, you can do that. If you want to process meat along with it, you can do that. If you want to do a vegetable auction or a hay auction, you can do that. So you can take the components – it can be anything you want it to be. Basically, it's a marketing, processing center for whatever the needs are in that region. And we got that passed and funded, and that is the approach that Kentucky's going to take. Bath County in the first one that's been built. It's not open yet. It opened in spring of 2006. It's built, and there are 60 farmers who are participating and figuring out how to make it work. So one of the things that CFA is doing then in that particular county is we're trying to tie that regional marketing processing center to institutional buying – meaning for the school systems and the state parks.

## **Low-income farmers' markets**

*Let's get back to the idea of establishing farmers' markets in low-income areas? Isn't the conventional wisdom that markets only work in relatively high-income areas, where people have a lot of disposable income?*

You do have high-end markets generating themselves and they don't really need our help. But CFA believes that this food system has to be universal. We've all just seen what went down in New Orleans, you know – by god, it's not okay. And everybody has to be included. That is why West Louisville, which is the poor end of town, was chosen. A 38 percent poverty rate for 12 neighborhoods that we're working in, and 70 percent of the African-American population in Louisville, which means it's the majority African-American population for the state. That's why we chose West Louisville and that's the importance of West Louisville: the universality.

*So, how did you approach the people in West Louisville?*

What we said – because we're this organizing group – because of who we are – we said: “Alright, we're not going to come in there and plop a market down on everybody, right? We have to do some organizing in the neighborhood, and the neighborhood has to own the market. You have to own these markets. And that means you have to set your own goals. You have to have a political goal. You have to have an economic goal. And you have to have a cultural goal.” That is how we started the organizing in West Louisville. And we started out with the Portland market, and they had Electronic Benefit Transfer (EBT) machines, so they could take food stamps. We have low-income farmers' markets, like Jackson County – which, interestingly enough, has about the same per capita income as these neighborhoods. I think, 16,000 dollars was, the average for the neighborhoods that we're organizing in this last census. And I think that's roughly the same as Johnson County, too. And so, they have a farmers' market, and they are a real community and everybody has a garden, and they have a farmers' market. So for heavens sakes, it's a myth – and there is a mythology around this stuff – that you can't have low-income farmers' markets. That's what the state wanted to say. That's what everybody wanted to say. Well, we do have farmers' markets in low-income areas. The common sense out there is that the farmers' markets are only going to work in relatively wealthy – in the high-income – markets. The organic, the specialty foods – that's the only hope. You can't really change your food system, you can only do this high-end stuff. Our vision won't work if that's true, but we don't believe that's true anyway.

The next one is the Smoketown market, the Smoketown/Shelby Park Market. That neighborhood has a 52 percent poverty rate, which makes it one of the poorest neighborhoods in the state. And that one got started – not because we really wanted to take on a new project – we just wanted to do this one, one



farmers' market to break the myth. We didn't know where else we were going to go with it, right? It wasn't like farmers' market was the answer for West Louisville. We knew that. But we were just trying to break the myth, get a foothold, start some organizing, start the relationships. But Portland is predominantly white – it's a 60% white neighborhood. So Ella Roberts, who's an institution in Louisville – she's probably in her 70s now but has always been a civil rights leader – called the office and said, "We would like for you to start a farmers' market here in Smoketown." And, politically, there wasn't anything else to say but yes. We could not say we were going into West Louisville, pick a white neighborhood and then not be responsive. So we kind of got stuck, or at least that is what it felt like at the moment. But Smoketown/Shelby Park has been great.

*What about young people in the area? Have they been involved?*

Absolutely. There's this group called Young Powerful Youth (YPY). You can tell they're like 13-year-olds. The kids did the mural, which is the backdrop to the Smoketown Market. The kids are important to these markets because, when you ask folks about what are your food problems and then, by the way, what are the other problems? It always comes out that the kids don't have anything to do. That Smoketown Market is right next door to Sheppard Square, which is one of the big housing projects, and then the Presbyterian center is right next to that. So a lot of the kids that are coming to the market are from Sheppard Square, and also the school is another tie-in.



*What lessons has CFA learned in trying to build these markets?*

I think we are learning some valuable things about how you build low-income markets, and the relationships are just absolutely key. Those markets can do so much more than just provide food. And if you don't do that, I don't think they will be sustainable. So it's quite a lot more work to build these low-income markets, but you're doing a lot of other things along the way. People did voter registration, for instance, at the markets. The back to school festivals have been important – that's when all the churches donate, and each kid that comes gets a backpack filled with school supplies ready to go to school. So, they are doing multiple activities and that's part of the support, then, that we've had from both community and from institutions in West Louisville. The parallels between rural communities and these low-income inner-city neighborhoods – which we've just discovered because we never had done any of this – are really truly amazing. They're very much like each other. And that's not to take away from any of the organizing that is going on in West Louisville. But for your average person, they don't have a place to play. And that's why they have come to CFA, just like in the rural communities. And that's all really amazing to me, and I had no idea that we were going to get into any of that. That's all a big surprise for all of us.

The only other point I want to make about Louisville is that we are growing a system of markets, and I think this is very important, too. For instance, the Rowan

Street Coop: they started out with a customer base of 1,500 people their first year. And they also sold at Portland, and they needed the Portland Farmers' Market as another outlet during the first year. The second year, they pulled out of Portland. Portland suffered, but Portland's back. It's coming back. We had a rough second year. They pulled out because they chose to grow more for this coop that was becoming lucrative. Then there were just the market, and they went up to 3,500. Last year they had 5,200 customers, and this year, they came back to the market because they tripled production. And they're going to try and grow that coop base to 10,000. But they need the markets as a safety net, just in case they don't do it. I guess what I am trying to say is the relationships and those markets, building them together, helped create more economic opportunity than any one of the things does by itself.

## Conclusion

*It sounds like you and the other members of CFA have had to struggle with and against many different groups and so-called conventional wisdoms to articulate an alternative vision of the farm economy in Kentucky. Is that right?*

Well, you can't create change without a fight.

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**Part VII**

# **Alternative Economies**

# 17 **Globeerization or beeroregionalism? Beer as an economic representation**

*Chris O'Brien*

Today, global corporations dominate the human pastime of brewing and drinking beer. But historically, beer was brewed mostly by women at home, often outside of the cash economy, and with an emphasis on the value of community, health, spirituality and sustainability, rather than monetary profits.

The American Craft Brewing Renaissance (ACBR) has turned against corporate values and returned beer to its cultural roots. In 1979 President Carter repealed restrictions on homebrewing, touching off the craft, or “micro,” brewing revolution. Tens of thousands of homebrewers took to the hobby and small businesses quickly followed, starting such well-known businesses as the Sierra Nevada Brewing Company and many others.

Together, home and craft brewers radically changed beer and brewing as representations of the economy. Corporate beer represents the industrial economy: centralized, hierarchical, fossil-fuel intensive and hegemonic. Industrial beer is a commodity in a corporate economy.

On the other hand, craft beer represents an economy in which community and sustainability are valued. The renaissance in craft beer is being led by a grassroots movement for beer as a way of life rather than as an exclusively economic product. Its proponents and participants value craft, diversity, small scale, local production, independent ownership and ecological sustainability. Craft beer represents a socially and environmentally sustainable economy.

Although beer drinking may not commonly be associated with the notion of fighting global corporate economic domination, for an increasing number of the nearly 100 million Americans who drink beer, that’s exactly what the act entails.

## **Round one: beer as a way of life**

Since at least the beginning of recorded history, brewing has been a part of daily life, abundant in social, spiritual, health, and medicinal significance. In ancient

Sumer and central China, evidence of brewing dates to nearly 10,000 years ago. It is credited by some anthropologists as being the fundamental technology necessary for sedentary urban civilizations. The oldest known recipe is a set of brewing instructions. One of the first known legal codes deals largely with the taxation and control of beer and brewing. Ancient human remains found in Sudan show that beer drinking provided a critical survival advantage. Egyptian texts extol beer's medicinal purposes. The list of beer's non-monetary functions is long.

### **> Is, was, and ever shall beer**

Brewing and drinking have always been closely associated with the Divine. The Mesopotamians worshipped Ninkasi. Egyptians worshipped Hathor, also known as the Goddess of Inebriation without End. The Romans called beer *cerevisia*, derived from the Latin word for the goddess of agriculture, Ceres.

Further examples of links between beer and the sacred are rife throughout the world's diverse brewing cultures:

Around the world today, tribal peoples in places such as the south-western United States, Mexico, Bolivia, Kenya, India, the Philippines and Japan still make beer from maize, millet, rice or palm sap with social ceremonies that involve the recognition that something sacred is involved in the brewing and consumption of these drinks. Often some of the beer is sacrificed – poured on the ground – as tribute to the gods or goddesses who ensured a good grain harvest. (Cornell 2003, 5)

Stephen Harrod Buhner (1998) provides a more complete treatment of this in his exhaustive tome: *Sacred and Herbal Healing Beers: The Secrets of Ancient Fermentation*.

It is not coincidental that the many deities of beer and brewing were female. Beer contributed to the social balance in many ways, including the definition of gender roles. Women controlled the taps in most places for most of history. Evidence shows that since at least 4,000 BCE, women controlled beer in Sumer, brewing at home for consumption by family, friends, neighbors, travelers, and for use in medicine and during religious ceremonies. The control of beer accorded women a degree of power within the social hierarchy.

Unfortunately, the history of women in brewing is largely unwritten. And because women controlled it for most of history, that means most of the history of beer and brewing is unrecorded. This historical bias reflects the writers of history, men writing by and largely about men. The brewing record improves markedly when men usurped control of the beer barrels during Middle Ages Europe. However, enough evidence does exist for us to know that, under female control, brewing contributed to the balancing of gender roles in ancient times, before beer became a singularly profit-driven enterprise. As long as the mash forks were wielded by the hands of women, beer was used for health and spirituality,

marking important ceremonies associated with the earth, and as a social organizer that built interdependent community relationships.

### > To your health

It is testament to the importance of beer as a nutritional food source that the earliest recorded recipe ever discovered is for beer. Dated to 1800 B.C.E., *The Hymn to Ninkasi*, a Sumerian goddess, included detailed instructions for brewing beer.

Alan Eames, in his *Secret Life of Beer* (1995, 19), describes the significance of beer as food:

Protected by alcohol, beer had a palatability lasting far longer than any other food stuff. A vitamin-rich porridge, beer, used-daily, is reported to have increased health and longevity, and reduced disease and malnutrition. Additionally, the self-medicating properties of alcohol-rich beer eased the stresses and tensions of day-to-day life in a hostile world.

Throughout ancient and medieval history beer was an essential source of nutrition, as well as an indispensable form of medicine. Across Middle-Ages Europe, before tea and coffee had entered the economy, water sources were tainted with disease and bacteria, making its consumption dangerous. Beer was a safe, not to mention delicious, alternative because it is boiled during preparation, thereby killing sources of potential infection. Moreover, brewing yeast crowds out bacteria that might inflict drinkers with physical ailments. In fact, it is virtually impossible to become seriously ill from drinking beer, aside from simply drinking too much of it and reaching poisonous blood-alcohol levels.

In *The Ale Trail*, Roger Protz (1995, 11) sums up the health benefits of beer:

What is incontestable is that beer became an essential element of people's diet at a time when water was unsanitary and undrinkable. Beer contained proteins and vitamins that helped keep the population of the old world healthy.

### > The beer that binds

In sub-Saharan Africa beer is still brewed mostly by women at home, where the social, health and religious functions of beer continue to be important. From Senegal to Ethiopia to Zululand, traditional homemade beers are central in religious and social occasions such as weddings, funerals, births, the end of fasting periods and the turning of seasons. In South Africa, beer assists in communing with deceased ancestors. In short, brewing is conducted to bind the community in common experiences and a shared understanding of the world. And in many cases, consumption is enjoyed by all, usually with no monetary exchange.



The importance of beer is in its function as social adhesive, not as financial asset.

One report cited in the newspaper *Ethiopia Capital* suggests that four times more home-made beer is consumed in Africa than industrial brew and much of this is outside the cash economy.

### > Beer money

Almost as long as it has held a central role in religion, beer has also contributed to economic well-being. Anthropologists Solomon Katz and Mary Voigt argue that barley cultivation for the specific purpose of brewing beer was a primary stimulus for settled agriculture and thus civilization. Settled agriculturalists traded surpluses of barley and beer to nomads, facilitating their own transition to settled urban lifestyles. In this context, barley was itself an early economic commodity in a barter economy.

Roger Protz writes in *The Ale Trail* (1995, 12):

beer ... was used as currency or a form of barter. Stonemasons who worked for the Pharaohs were paid with vessels of beer. Shin T. Kang, [a] translator of cuneiform tablets, says: 'Together with bread, onions, fish, and seed-seasoning, beer was one of the more important items in the Ancient Mesopotamian diet ... Beer was used as part of the rations of government officials and messengers and was widely expended in offerings to gods

and goddesses, such as for the goddess Angina, at the field-offering [for deceased people] and much was consumed at the palace. For all these purposes, beer was collected from the people, either as a form of taxation or a religious gift.'

Furthermore, Sumerian women are known to have sold ale in taverns since at least 3000 B.C.E. Pub signs from this era depicted bare-breasted women as advertisements – some things never change (Eames 1995, 24). These pubs, however, were operated by women within well-defined and controlled social circumstances in which the actual sale of beer was not the only purpose of the pub. These places were quite literally public living rooms, usually simple front rooms of brewing households. They created social gathering spaces where news was shared, especially by travelers. This tradition of the pub as a news forum continued to have strong significance all the way up to Colonial American times when taverns played a critical role in disseminating news about the Revolution. And even today, some British pubs have designated “family rooms” and “community rooms.” The Campaign for Real Ale (CAMRA), a large and powerful British consumer organization, rates the quality of pubs based in part on whether it offers these kinds of non-commercial community facilities.

Unfortunately, the dearth of early women’s brewing history, as mentioned above, confounds efforts at quantifying archaic beer consumption patterns. But it is unlikely that beer drinking establishments accounted for much beer consumption in ancient cultures, where most beer was likely consumed at home and during public celebrations.

Beer’s economic value took a more central role as the Catholic Church took control of brewing during the European Middle Ages. It is noteworthy however, that Church control also highlighted the continued role of beer in religion. But side by side with its spiritual associations, the Church controlled brewing for economic reasons. According to Richard Unger, the first large-scale production of beer occurred in Church monasteries in the eighth century CE. In addition to brewing beer for its own consumption, the Church brewed beer for sale and licensed and taxed others in exchange for the privilege. The balance of beer power took hundreds of years to transition fully to the Church, but eventually it helped squeeze out home-brewing women almost entirely.

### **> On a gender bender**

Beginning during the Protestant Reformation, the commerce of brewing passed from the Church into the hands of private merchants. This development helped keep female homebrewers out of the brewing equation – an equation which from this point on ended profoundly with a dollar sign. During this same period, hops became a popular addition in beer and served as a tactical weapon in the war to control brewing profits. In a fierce and protracted battle lasting some 200 years, reformists and merchants ultimately claimed control of the beer trade by cleverly championing

hopped beer over the Church's traditional *gruit* ale, ultimately banning *gruit* outright by secular laws such as the *Reinheitsgebot*, the so-called German beer purity act of 1516.

Ironically, the nun St. Hildegard is commonly cited as the first person to seriously experiment with adding hops to beer. That was in the early 800s and hops was but one of the many herbs in her basket. Hops took more than a half millennium to fully come into vogue, disenfranchising both women and the Church from brewing.

The new hopped ale significantly reduced one of the most profound effects of *gruit*: intense intoxication. *Gruit* included a combination of herbs that produced lively and highly spiritualized inebriety. Hops, on the other hand, are a soporific – that is, they induce sleep. The dual forces of the reform-minded protestants and the profit-hungry merchants eventually doomed *gruit* and the Church's control of brewing. Hops also help to preserve beer, giving it a longer shelf-life. This allowed commercial brewers to significantly increase volumes by brewing in bigger batches that could sit longer without going bad. Simultaneously, urban populations were expanding, and hence beer markets were concentrating, further assisting the growth of ever larger breweries, and concentrating the accompanying wealth along with them. But growth required capital – something women seldom had.

Demand for hopped beer increased dramatically over time, and as the profit-potential grew, entrepreneurial men wrested the craft from both housewives and the Church. The craft became increasingly technified, requiring large investments in equipment, removing a once common household chore into the domain of specialized experts.

The fate of brewsters in London, one of the great historical capitals of brewing provides a telling examples of the state of the tradition. Brewing historian Martyn Cornell comments on the causes of the decline of London's brewsters by the sixteenth century:

The disappearance of women from visible involvement with brewing in London is undoubtedly linked with the increased wealth possible to anyone brewing as a regular trade, thanks to the rise in the city's population: men were now willing to make full-time careers out of what had previously been only a way for women to supplement the household income. The 'masculinization' of brewing is also linked with the most important technological change in brewing since the move from beer-bread to ground malt. This was (its importance should be emphasized) the arrival of hops. An era had come to an end: we are now at the start of modern times. (Cornell 2003, 58)

The mash forks once wielded by millions of everyday homebrewsters, who brewed in order to enhance social bonds and provide nourishment, were taken by industrialists intent on exploiting beer's tremendous wealth potential. Businessmen and marketers transformed beer into a commodity.

**> Brew frontiers**

Beer as a way of life still had one important chapter to be written in colonial America, where quality supplies were unreliable and populations dispersed. Settlers and pioneers became expert in thrifty and resourceful brewing techniques. Women continued to practice the art of homebrewing, in part from necessity, and used locally and seasonally available ingredients. As Lender and Martin explain in *Drinking in America*: “Most beer ... was made at home, and no government could dictate a housewife’s recipe ... certainly, the new American beer rapidly became a highly diverse creature” (Lender and Martin 1987, 5).

The religion associations of beer also continued. Puritans not only permitted alcohol consumption but drank beer openly at most every occasion, including church-sponsored events. In 1673, Increase Mather, in his poem admonishing drinking to excess, *Wo to Drunkards*, wrote: “Drink in itself is a good creature of God, and to be received with thankfulness ...” To him it was moderation that was important, not abstinence.”

Beer drinking also continued to be appreciated for its nutritious and medicinal benefits, as Lender and Martin assert: “[T]he wisdom of the day held that alcohol was essential to good health. ... Even children shared the dinner beer” (Lender and Martin 1987, 9).

But most of all, beer was highly regarded for its ability to bring people together, both for revelry as well as for everyday socializing and community organizing. “Weddings, baptisms, holiday celebrations, ministerial ordinations, militia musters, and even funerals also were normally wet” (Lender and Martin 1987, 10). Voting was induced by the offer of free alcohol: “There was only one poll per county and after making the long trek to do his citizen’s duty, the voter expected some tangible reward. He usually got it. This meant that in order to qualify as a Founding Father, George Washington, John Marshall, Thomas Jefferson, and other Revolutionary leaders ... provided many a drink for the multitude” (Lender and Martin 1987, 10).

Local governments and pioneer communities routinely organized commonly owned brewing taverns as town meeting places. Beer drinking even became an act of patriotism. As revolution fomented, America’s founding fathers called on Americans to brew more beer so as to avoid English imports. Homebrewing was an act of independence and a weapon against British economic imperialism.

However, as important as beer was at this time, it was whiskey (i.e., distilled beer) that served as hard currency on the American frontier. Fermentable grains were grown by many farmers, and whiskey was far more compact than beer, making it more easily tradable. Likewise, rum, made from cheap imported slave-grown sugar, also made for a highly intoxicating and easily tradable alcoholic commodity.

Overall, brewing during Colonial and post-Revolutionary times thrived in its diversity of ingredients and brewing processes, its decentralized production and small scale, and overall through its community centeredness. For the majority

of Americans, beer drinking was an accepted part of everyday life, both in terms of its cultural contributions as well as its commercial applications. But hard liquor, especially that produced by slavery, combined with the traumas of industrialization, began to tarnish the reputation of alcoholic drink.

## **Round two: beer does a belly flop**

### **> Rise of the corporate beeristocracy**

As America industrialized, so did brewing. It pursued the path of corporate hegemony with great zeal, maximizing profits, lowering quality and eventually becoming a victim of industrialization itself.

In the mid-1800s, lager beer arrived and was the single biggest innovation since hopped ale. This cold-brewed, light and refreshing beer style took the country by storm. Technologies such as pasteurization and refrigeration, accompanied by the growth in urbanization, allowed brewing companies to make another great leap in scale, consolidating power and economic resources into the hands of a dwindling number of very large companies. America was also experiencing tremendous social trauma as a result of industrialization and mass migrations. The commodification of beer increased dramatically just as traditional agrarian social structures and rural values were being assaulted by modernization.

Industrializing America experienced upheavals as populations shifted from rural lifestyles to the stress and danger of urban industrial life. Urban flight upset the balance in small rural communities. Cities rapidly changed the job base from skilled craft to industrial work, as domestic and foreign immigrants overwhelmed communities. For many, this was a dehumanizing process that heightened feelings of powerlessness and insecurity, loss of identity and lack of self-confidence. A dramatic increase in alcohol abuse and misuse was one symptom caused by the problems associated with industrialization.

Prohibition ultimately followed and, according to historians such as Gene Ford, mistakenly targeted alcohol, rather than corporate industrialization, as the source of America's social ills. In fact, the Temperance advocates who preceded Prohibitionists never sought complete prohibition at all and had a much broader social agenda than just alcohol reform. With women leading the charge, the movement included a variety of anti-corporate values, the most important of which was the value of traditional community standards. While corporations were led by men who valued the rights of individuals to pursue business unencumbered by law, Temperance leaders emphasized the importance of public welfare. Eventually female Temperance leaders advocated for Abolition too, thereby recognizing the importance of individual rights – but these individual rights threatened a slave-based economy.

These reformers fought against the corporate-industrial values espoused by the same men who had removed brewing from the home and turned alcohol

consumption into a business. The problems caused by slavery and industrialization were at the heart of these early feminists' grievances, but alcohol was an easier target.

Technology also played a key role. The tools of home and craft brewing were replaced by oversized machinery, reaching far beyond the human scale. As corporations controlled the means of production, industrial capitalism created rifts in wealth between the growing ranks of laborers and jobless farmers, and the corporate bosses who employed them. Eventually, beer, the preferred and endorsed drink of Temperance advocates, became the scapegoat for America's myriad social and economic problems and was officially put out of business. The overwhelmingly positive roles of beer were overshadowed by the abuse of hard spirits that resulted from industrialization, slavery, mass migrations and urbanization.

It is important to note that Prohibition did little to stop drinking. Alcohol consumption continued unabated at close to pre-Prohibition levels. The difference was that brewing was no longer legal. Thus Prohibition ruined the commercial brewing industry, created a significant tax income loss, clogged the courts and filled the jails, created a huge new government expense in enforcement, generated a thriving gangster-run market in illicit and low-quality booze and soaked consumers with inflated black-market prices.

Homebrewing, though it was also banned, spiked spectacularly, if predictably. H.L. Mencken wrote that in Baltimore: "Every second household has become a homebrewer. In one American city of 750,000 inhabitants there are now 100 shops devoted exclusively to the sale of beer making supplies and lately the proprietor of one of them, by no means the largest, told me that he sold 2,000 pounds of malt syrup a day." Although homebrewing was outlawed, brewing ingredients themselves were perfectly legal. John Kobler, in *Ardent Spirits*, estimates that there were approximately 125,000 shops supplying the home-brewing craft during Prohibition. But the legal status and rift in public opinion stigmatized drinkers to a degree that was almost unique in history.

Industrialization had removed alcohol so far from its cultural controls and values, and emphasized profit so much, that reformers reacted in an equally extreme fashion by banning it. Although Prohibition ultimately failed to eliminate drinking, it succeeded in deeply fracturing American attitudes about drinking. So much did this confuse popular opinion that after the end of Prohibition no clear consensus remained about whether drinking was a social custom to be celebrated or an industry to be tolerated.

## > The hangover

Perhaps Prohibition's worst consequence was that it vastly accelerated the pace of corporate consolidation, with fewer than half of the country's breweries reopening after Prohibition. By the 1970s the number of US breweries had sunk from its 1873 peak of 4,131 to fewer than 50. The product was uniform, bland, and cheap, and

controlled almost entirely by a small cadre of corporate giants. Homebrewing, once practiced so widely, continued to be illegal after Prohibition. The commodification of American beer was complete. Beer and brewing culture were in their death throes.

This murky middle, somewhere between celebration and tolerance, was the worst place for popular opinion to be about the role of alcohol. On one hand, Prohibition caused, rather than alleviated, so many problems that society realized alcohol must at least be legally tolerated. On the other hand, the problems of alcohol abuse were still fresh enough in the public memory that it was not yet acceptable to openly embrace drinking as a positive part of life. So the control and direction of brewing devolved to the lowest common denominator. Corporations were the only entities willing to ignore popular ambivalence and firmly declare allegiance to the profits available from brewing.

Robert Burgess succinctly explains the dominant motivation behind corporate brewing in *Silver Bullets: A Soldier's Story of How Coors Bombed in the Beer Wars* (1993):

The answer was spelled M-O-N-E-Y (Burgess 1993, 110).

Some of the kernels of this profit motive were planted early in the industrial revolution. For example, the Anheuser-Busch empire, currently the largest brewing company in America, was founded in 1865 by a man who didn't bother to hide his motivation at all. So uninterested in beer's cultural significance, and so taken with its profit potential, Adolphus Busch is described by Dan Baum in the book *Citizen Coors* (2000):

Busch didn't even like beer. He preferred wine, and had a nose and a cellar of legendary distinction. Once when he offered a visiting journalist a drink, the fellow ingratiatingly asked for a Busch beer. "Ach," Busch said in his heavy German accent, "that slop?" (Baum 2000, 10)

After Prohibition, brewing was no longer associated with social, spiritual and health benefits. In this context corporations removed it even further from these traditional values by focusing on marketing rather than on beer itself. In *Beer and Skittles*, Richard Boston (1976, 84) summarizes John Kenneth Galbraith's description of how corporate profit is able to override popular cultural values:

Galbraith argues that, instead of responding to the demands of the market, these large corporations on the contrary accommodate the consumer to their needs. Instead of producing what people are asking for they come up with something that is convenient for them to produce and then, with the help of massive advertising and sophisticated sales techniques, create a demand for it.

And Burgess (1993, 109–110) explains:

Anheuser-Busch had started the ‘war’ in beer marketing . . .”When they decide where they’re going,” one friend of August Busch noted, “they’re like an army on the march.”

And the march was toward profit. Burgess (1993, 110) continues by quoting Peter Hernon and Terry Ganey’s biography of the Busch family *Under the Influence* (1991):

Using sophisticated demographics, August’s team divided beer drinkers by race, income, sex, age, even ethnic origin. It was called target marketing, and there were targets everywhere.

Prohibition cast an enduring shadow on American drinking mores. For 400 years Americans valued drinking as part of a way of life. For the vast majority of citizens, beer played a central role in life’s important events. Brief, yet extreme, the period of Prohibition created a great ambivalence in American attitudes toward alcohol. Beer lost its role as a healthy and important part of the social structure and became a commodity. Beer drinkers, who had never quite been defined so narrowly before, were no longer members of society carrying on a tradition that helped bind them to their community. They were now consumers, a “target.” In the late 1970s, beer represented the pinnacle of the corporate-industrial economy, where an individual’s right to pursue profits was more important than community values and traditions.

Today, beer is a pot belly of gold. It is the world’s most popular alcoholic drink, beating wine and spirits by 7 and 11 times respectively, on an annual per capita volume basis. According to the Beer Institute (2007), in 2004 the US beer industry had an economic impact of over US\$160 billion, plus US\$30 billion in tax revenue; employed approximately 1.78 million Americans directly and indirectly; and supported more than half a million establishments involved in the trade.

Anheuser-Busch, America’s largest brewer by revenue and volume, controls a whopping 50 percent of the domestic beer market. In 2004, a corporate mega-merger created InBev, the world’s largest brewing concern, producing one out of every seven beers sold worldwide. In 2002, another merger formed SABMiller, now the world’s second largest beer company, and in 2004 Molson and Coors merged to take a respectable fifth place on the list of global brewing behemoths. Together, the world’s top five beer companies control more than half of the world’s total beer sales.

However, as mega-brewers grow through consolidation, there is a simultaneous increase in the number of homebrewers and small breweries. The American Homebrewers Association estimates that over 500,000 Americans now make beer at home. In 2006, craft beer sales increased by over 11 percent, while industrial beer sales remained flat.

American beer culture has yet to fully recover from this post-prohibition profit hangover. But the vital signs are improving, and a reversal of trends is well underway.

## **Round three: the brewing renaissance**

### **> Beer profits and prophets**

Juxtaposed against the countervailing trend toward beer profits, a grassroots movement of “beer prophets” is driven by many of the same concerns as the anti-corporate globalization movement. The term “craft brewer,” as now defined by the Brewer’s Association, means “small, traditional, and independent.” Add a beery twist to the anti-globalization protest mantra and one can imagine hearing these beer radicals chanting: “Beer for People, Not for Profit.”

The two dominant trends in brewing, corporate consolidation and the recent ACBR, offer two very different representations of the economy. In the former, beer is an industrial commodity, symbolic of corporate-led globalization; in the latter, beer is community-oriented and environmentally sustainable.

### **> Fermenting revolution – beer drinkers rebel**

When industrial brewing reached its zenith, American brewing culture hit its nadir, and beer drinkers finally rebelled. People who appreciated beer’s many social virtues also lamented its demise in quality. They mourned the death of the beer culture that had been replaced with vapid consumerism. A do-it-yourself ethic kicked into gear out of sheer necessity.

In 1979 President Carter lifted the federal legal restrictions on homebrewing that had persisted as a remnant of Prohibition. People took up the hobby in earnest and soon created the modern microbrewing revolution. Within just a few years, dozens of micro breweries and brewpubs bubbled to the surface. Beer pioneers like Fritz Maytag of Anchor Brewing and Bert Grant of Bert Grant’s Ales mobilized a movement: the ACBR.

This movement was started, pure and simple, by people in love with the craft and culture of beer, not by polished marketers required to report quarterly earnings. Today, the number of breweries in America has risen from a dismal low of 44 back to nearly 1,500. Nearly of these are craft breweries, a term that denotes a smaller scale, and connotes an emphasis on process and culture. Craft brewers make small batches and serve local customers. They are plumbing the depths of brewing history and culture, rediscovering traditions and reviving beer styles, while also inventing new traditions and brand new beer styles.

### **> Protecting beerodiversity**

Corporate mega-brewers reduced the variety of beer styles to a single mono-crop, a watery, low-alcohol, over-carbonated and chemical-laden American Light Lager.

But the *beerodiversity* of the last 10,000 years is being revived from extinction as craft brewers recreate lost beer styles. Anchor Brewing was founded to produce the uniquely American California Steam beer, a style which had completely disappeared and been replaced by lager. Anchor has also brewed a Ninkasi Sumerian Beer based on the ancient recipe found in the Hymn to Ninkasi mentioned above. After just 25 years of renewal, America is like a biological hot-spot of the beer world. Brewpubs and micros are the habitat of hundreds of styles, new and old, some of which have yet to be officially categorized. For example, the uber-hopped Imperial IPA is just beginning to be acknowledged as a unique and new style of its own.

Craft breweries are also pioneering efforts focused on protecting the environment for the public good. Fish Brewing, for example, produces organic beer and works to save salmon runs in the Pacific Northwest. New Belgium Brewing pays for wind-generated energy to run its operations. Great Lakes Brewing in Cleveland aims for zero-waste operations by employing cutting-edge eco-industrial programs that include the use of bio-waste energy generation, packaging reduction and recycling and natural waste-water treatment and reuse systems. Crannog Ales in Canada integrates brewing operations with farm production in order to achieve closed-loop sustainability where spent brewing grains are composted and used to grow hops onsite.

### **> Think globally, drink locally**

Ranks of craft brewers are experimenting with local, fresh ingredients, from oysters to blueberries, and promoting their products based on the merits of supporting local communities. The explosion in local beer production and consumption drastically reduces transportation requirements, in turn limiting dependence on greenhouse gas-producing fossil fuels. Soil and water pollution is being addressed by craft brewers like Wolavers Brewing Co. which champions organic agriculture, and brewpub menus that feature local and organic food.

Just like America's founding fathers used taverns to organize their vision of a new society, small breweries and brewpubs are once again taking the lead in social organizing. Brewpubs, which account for the majority of new breweries, sponsor local charities, host community meetings and events and contribute to the local economy. Many are located in previously abandoned buildings in central downtown locations, providing the additional benefit of serving as anchors in urban renewal and as neighborhood gathering spots. According to recent studies conducted in Chicago (Civic Economics 2004) and Austin (Civic Economics 2002), locally owned businesses like these pay more in wages, contribute more to charity and return more money to the community through local procurement.

### **> Home rules**

Brewing has also returned to the home as a non-monetary endeavor. The American Homebrewers Association (AHA) claims nearly 500,000 Americans

brew beer at home at least once a year. Homebrew clubs exist throughout the country, celebrating the craft, bringing small groups of friends, family and neighbors together, using beer as a social organizer rather than as a source of income. Nationally, there are close to 500 formal home-brew associations. Similar resurgences are occurring with other crafts including wine and cider-making.

### **> Beer's second coming**

Corporations largely stripped brewing of its spiritual emphases. But this was a trend that was by no means unique to this one craft. Religion has slipped from the center of American society in general. Whereas religion once underpinned the mission of the Pilgrims, compelling them to serve as a beacon on the hill, the pursuit of material wealth has come to be the most widely accepted social good of contemporary America. But the values of industrial capitalism are adapting to the twenty-first century, a world of shrinking resources and splintered communities. New age spirituality is experiencing tremendous growth in popularity as individuals seek a religious counterweight to balance America's overwhelming material values. And beer is once again on the cusp of the trend.

Homebrewers are reassigning spiritual significance to brewing. Brewers such as Stephen Harrod Buhner are leading the charge, as evidenced by his popular book *Sacred and Herbal Healing Beers* (Buhner, 1998). Ironically, this trend is even emerging in clever marketing like that by the Shmaltz Brewing Company which markets a line of beers aimed at Jewish drinkers called He'Brew: the Chosen Beers.

### **> Drink two beers and call me in the morning**

The once quaint folk beliefs about beer's health and nutritional benefits are finally being proven true by scientific evidence. Multiple studies are demonstrating the benefits of moderate, consistent beer consumption. The 18 April, 2001 issue of the *Journal of the American Medical Association* published a study which found that drinkers of alcohol had a lower risk of dying from a heart attack. A report published in the *American Journal of Epidemiology*, in August 2004, found that people who consume anywhere from 1 drink a week up to 30 drinks a week performed better than non-drinker on a battery of different tests designed to measure intellectual ability. The list of studies such as these is already quite large and is rapidly multiplying.

### **> The local goes global**

The ACBR is not limited to America, and in some instances it is overt about its contempt for the mega-brewers' singular focus on beer's economic role. One of the best examples of this is what has been called Britain's most successful citizen action organization, a beer club with more than 70,000 members, called the Campaign for Real Ale (CAMRA). CAMRA has radically

redirected the path of brewing in the United Kingdom, shifting it away from corporate domination and commodification, and toward community-based production and consumption, instilling strong social significance by advocating for locally owned pubs with community meeting rooms, and television-free atmosphere.

### **> The best form of flattery**

Corporate macro-brewers have taken notice of these trends and are emulating the micros. Anheuser-Busch (A-B) launched a line of faux-microbrews that were largely rejected by the market. Its next strategy was to buy partial ownership of successful small breweries, carefully distancing its own brand and name from the products so as to avoid tainting them with an association they understand will turn away their intended customers. In 2006, A-B launched a line of organic beers under a corporate pseudonym: Green Valley Brewing. These products attempt to capitalize on the success of craft brewers by adopting marketing that appeals to the values embodied by craft brewers: small, local, and independent.

The macros have also stepped up investments in their production communities, and are taking leadership roles in corporate responsibility programs, such as the Global Reporting Initiative (GRI), a worldwide voluntary effort to report standardized corporate sustainability progress. In fact, corporate brewers have achieved some admirable environmental accomplishments. For example, A-B is now the world's largest aluminum can recycler, recycling one can for every one it manufactures – an astounding eight billion cans per year.

### **> Your money or your life**

But the battle between *globeerization* and *beeroregionalism* is far from over. Beer as a commodity represents the corporate-led global economy, while beer as a way of life represents the local, sustainable economy. A poignant example of these competing versions of the economy is illustrated by comparing the mission statements of two different beer companies.

Anheuser-Busch, America's largest brewing company, holds as its mission to:

- be the world's beer company
- enrich and entertain a global audience
- deliver superior returns to our shareholders

The last of these three goals is in fact the primary obligation of the company. Publicly traded corporations are required to act first and foremost in the interest of returning profit to shareholders. In other words, Anheuser-Busch could conceivably stop producing beer altogether if its other operations were more favorable to profits.

On the other hand, Seven Bridges Cooperative (SBC),<sup>1</sup> a cooperatively-owned supplier of certified organic brewing supplies, proclaims its two main principles as:

- commitment to developing and promoting organic beer; and
- dedication to the principals of a cooperatively-owned enterprise.

In conclusion, home and craft brewers and drinkers are redefining beer outside of the corporate profit-motive that has dominated it since the beginning of the Industrial Revolution. Their efforts aim to restore the non-monetary, cultural and environmental worth that has so long been essential to the culture of beer. And though they are making progress, industrial brewers continue to approach beer almost exclusively in economic terms. Meanwhile the grass roots ACBR is rediscovering and celebrating beer for its diverse social, ecological, health, and spiritual benefits. Opponents of corporate-lead globalization claim that “Another World Is Possible,” one based on the values of community and ecological sustainability, rather than the accumulation of extreme wealth at the expense of people and the planet. The Craft Brewing Renaissance proves that not only is this world *possible*, but enlightened beer drinkers are building it one mug at a time.

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1 In full disclosure, the author is a member-owner of the SBC.

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# 18 Building community economies

## A postcapitalist project of sustainable development

*Stephen Healy and Julie Graham*

For the past several years, we have been teaching an introductory human geography course at our various places of work. Toward the end of the semester we show students two videos that are structured by an opposition between economic development and nature. *Cry of the Forgotten Land* portrays the struggle of the Moi people of Irian Jaya to protect their land from logging and resettlement efforts sponsored by the Indonesian government, which were part of an explicit project to develop Irian Jaya. *The River People* focuses on the experience of two Yakima Indians in the Pacific Northwest, David Sohappay and his son, who were imprisoned by the federal government for salmon poaching. Like *Cry* it portrays indigenous people as hostages to a larger, ongoing process of capitalist development, which operates at the expense of both the environment and indigenous peoples.

Both videos represent peoples with a biocentric worldview in which humans have a reciprocal relationship with nature. Identifying passionately with this biocentric perspective, the students voice their admiration for the Moi and Yakima people's respectful interactions with nature and their disdain for the more instrumental interventions of the US and Indonesian governments. To some degree, their attitude is a confirmation of the success of environmentalism. What was a radical idea a short time ago has become a widely shared norm. But while we are heartened by this tectonic shift in thinking, we find the students' pessimism alarming. Almost universally they imagine that the Moi and Yakima people, their collective way of life, and their reciprocal relation to nature are doomed. Indeed, those who identify most with the Moi and Yakima and their biocentric worldview are also the ones mostly likely to be certain about an unhappy ending.<sup>1</sup>

1 In addressing the videos in class, we make the point that this pessimistic prognosis is a consequence of the familiar representational strategy adopted by the filmmakers. Both videos show a helpless but blameless indigenous people pitted against the forces of modernization, a representation designed to provoke moral outrage in the audience. Yet, of course, other stories could be told. Indeed, in the case of *The River People*, the basis for a more optimistic representation is readily found within the film. The Sohappys, for example, are not only successful in having their convictions overturned; they also gain an expanded legal description of their usufruct rights in a court of law. They have obtained the services of a powerful and persuasive lawyer, and a widely distributed video has been made to document their struggle.

It has been impossible to dislodge the belief among the students that the force variously identified as “capitalism,” “the market,” “modernization,” and “development” will inevitably destroy the Moi people and dispossess the Yakima. While this reading is clearly a reflection of the representational strategy of the two videos, we are left with some serious questions: why is a sense of environmental doom so pervasive among our students? More generally, what makes destructive development appear inevitable, even to the environmentalists who are most likely to want to resist it? More positively, how might the idea of sustainable development be transformed from an impossible dream into a realistic and attainable project for organizations and communities?

In this chapter, we address these questions and others that circle around the concept of sustainable development. Drawing on Lacanian psychoanalysis, we focus first on the forms of economic subjection/subjectivity that militate against sustainability as a possibility and a practice. Then, using examples from our action research on “rethinking economy,” we explore ways of thinking and enacting economy that render sustainable development a practical everyday project, and trace the emergence of subjects and practices of sustainability in several sites around the world. In the final sections of the chapter, we return to the “subjects of impossibility” with whom we began, addressing familiar reactions and resistances to our examples of “actually existing sustainabilities.”<sup>2</sup> A brief conclusion recalls us to what we have glimpsed in these pages – practical experiments that move beyond impasse and impossibility.

## **Development: obedience to the economy**

Underlying our students’ pessimism is a shared conviction that economic development is directed by an incontrovertible logic, one that is opposed to a reciprocal relationship between humans and nature. We see the emotional disposition of our students along with their pessimistic prognosis for the environmental movement as aspects of an “everyday economic discourse” that is grounded in the central terms and tenets of academic economics: scarcity, trade-off, and competition (Ruccio and Amariglio 2003). Nature is traded off against development in a process of competition for scarce resources – the assumption being that the fittest will survive. This everyday and academic narrative is invested with (thwarted) desires, in a libidinal economy whose currency is both submission and impotent resistance.

The logic of development is embodied in the (capitalist) economy, understood as a force outside community and environment that effectively determines their fates. From its external and superior position, the economy precludes or constrains environmental stewardship, rather than being a means through which stewardship is lived and enacted. Ironically, our students’ vision of economy-as-an-outside-force-with-a-uniform-logic is something they share with local economic

2 This phrase is drawn from Krueger and Agyeman (2005).

development practitioners who might – given their mandate – be expected to see an economy as a contingent set of relationships that is in part locally shaped:

The economy kind of works on its own – it always has worked on its own and what we are trying to do with economic development resources that we bring to bear is to shift the trend line a little. Move this ship, a little, off its predestined course ...

(Allan Blair, Economic Development Council of Western Massachusetts, focus group discussion, 1999)

This consensus view, expressed in a focus group we ran for development practitioners in Western Massachusetts, was followed by another, even more succinct “truth” of local economic development practice: “It’s a global economy, obviously.”<sup>3</sup> The economy appears as a global system or container that determines the fate of all localities, whether they be multilateral trading blocs, nations, regions within nations, or municipalities. As a locality, you are merely a node in the global economy, a subordinate economic identity.

This vision, in combination with our neoliberal faith in trade, has given new impetus to export-led development and its theoretical infrastructure, export base theory. Most local economic development practice in the United States involves states and localities recruiting large firms or growing industrial clusters to enhance their “export base.” The assumption is that exports generate economic growth by bringing in dollars from outside the region.<sup>4</sup> Every job created in an export industry means more local employment in other sectors, including those that supply inputs or process outputs. As workers in all these industries spend their wages and pay their taxes, both private and public sector jobs are created<sup>5</sup> via the famous multiplier effect. Well-paying jobs in high value-added manufacturing are seen as having the highest employment multiplier; states compete for large manufacturers to invest in their regions, offering tax abatements and huge subsidies for job training and infrastructure development, often amounting to more than \$100,000 per job (Barlett and Steele 1998, 48). It is on this basis that export-led development is frequently characterized as a “race to the bottom” in which wages are reduced, public coffers gutted, and environmental standards relaxed in an effort to anticipate and accommodate the demands of the globaleconomy.<sup>6</sup>

3 Rick Brown, Pioneer Valley Central Labor Council, focus group discussion, 1999.

4 Exports could be something that you actually physically send into the outside world, like microchips or machine tools; or they could be services you provide, like higher education sold to students and parents or incarceration sold to the state and federal prison systems. Both of these bring in dollars from outside and are therefore seen as enabling local growth.

5 Workers in all these industries will presumably spend their wages on local goods and services like housing and haircuts, thus expanding the local construction and service sectors; they’ll also pay property and sales taxes, allowing for the expansion of public sector employment.

6 Of course, there are numerous objections to the export base model, most based on problems of implementation. Firms, for example, may promise a certain number of jobs and deliver many fewer;

What is striking about this process, from our perspective, is the constitutive distance between the economy and its subjects. Our efforts at development address an alien power,<sup>7</sup> not a local terrain of politics, ethics and experimentation. Slavishly and somewhat hopelessly, we try to fathom its mystery, interpreting its desires and attempting to placate it. Psychoanalytic theory provides some insight into the subjectivity and subjection of economic development professionals here. The Economy is the master term and central value in the discourse of development. An austere and God-like figure, it issues demands but never accedes to those of others, and while it is frequently invoked to justify our actions, it does not itself require justification.<sup>8</sup>

In psychoanalytic terms, development practitioners (and the rest of us) experience “castration” in the vicinity of the Economy – the inability to achieve real satisfaction despite all our efforts (Wright 1999; Byrne and Healy 2006). Obsessively attempting to satisfy the Economy’s demands, we are dogged by a persistent sense of failure (since those demands are both inscrutable and ultimately unattainable). We tend, moreover, not to seek an outlet from this hopeless situation. Instead we accept our castration as the price of existence and embrace the compromised pleasures it affords – a few jobs created, some large corporations willing to take our money. At the same time, we fail to recognize locally available sources of satisfaction.

If the global economy is the castrating father of local economic development practice, firms perform the paternal function when they play one community off against the other in an effort to get the biggest incentive package. As communities we must accede to their demands in order to be permitted some modicum of development. Obedience often requires giving up the other things our tax revenues could be used for: excellent schools, affordable housing, environmental quality – all things that contribute directly to social well-being. Ironically, we give these things up in order to create economic development (whose end, however seldom achieved, is increased social well-being).

In our 1999 focus group, a local development planner captured the logic of castration inherent in development: “Sometimes it is necessary to give up quality of life in order to get quality of life.” While his words seem almost nonsensical, he was

the jobs they create may go to commuters rather than to the unemployed in your community – this is called a leakage; the profits of non-local corporations are generally not reinvested in the local community (another leakage); the company may not buy its inputs locally (a third form of leakage). On logical grounds, critics argue that growth need not arise from exports but simply from an increase in activity or productivity: the world economy has grown, for example, even in the absence of extra-terrestrial demand.

7 Marx sees this view as stemming from the division of labor in capitalist industry: “The social power, i.e., the multiplied productive force, which arises through the cooperation of different individuals as it is determined by the division of labor, appears to these individuals, since their cooperation is not voluntary but has come about naturally, not as their own united power, but as an alien force existing outside them, the origin and goal of which they are ignorant, which they thus cannot control” (1978, 161).

8 Theologian Harvey Cox makes a similar point about “the market as god” (1999).

actually making the familiar point that the quality of life derived from a relatively pristine environment must be set against the quality of life derived from economic growth and opportunity. The planner's words simply reduce to an absurdity the underlying castrating logic: our satisfaction is structured by a force or law that demands a limit to our satisfaction. This is something we've been told time and again in the colloquial language of scarcity: "you can't have it all." It is precisely because this saying is so familiar and persuasive that we must begin to question it.<sup>9</sup>

## Environmentalism and economic (dis)obedience

If the practice of conventional economic development is about accommodating the demands of the (global) economy, environmentalism in its various incarnations is about resisting or compromising with this same external force. Our position is still that of the castrated subject with limited options. We can either say "no" to economic development entirely or we can accept an unsatisfying compromise between development and environment. Economic growth is possible to the extent that we renounce nature while the stewardship of nature is possible to the extent that we resist or forestall development. All that is left to us is to decide how much of nature we can manage to preserve from harm while we pursue development or, conversely, how much development to forgo. This is the discourse of scarcity – a fundamental belief that goods must be rationed because their quantity is insufficient to satisfy unlimited demands (Ruccio and Amariglio 2003, 7–10). Contending values are figured in a zero-sum game, a trade-off between environmental stewardship and economic growth. By forcing us to make the choice, scarcity organizes our subjection and constrains our desires.

### > Resisting the demands of the economy

Since 1999 we have been engaged in action research in the Pioneer Valley of Massachusetts, focusing on alternative economic and environmental practices. Many people we have interviewed over the years are deeply committed to an

9 The point of castration is not simply that the tyrannical father is in a coercive position, or that our father's enjoyment comes at our expense. In addition, this vision of the economy – as a force *outside community* whose demands we must accommodate – structures our own enjoyment and offers the surrogate satisfaction of knowing why we fail. Obedience has its pleasures, the most compelling of which is the pleasure of aligning oneself with power and authority, coming under the protection and privilege of the law, enforcing the law upon others. Local leaders and development experts speak of the demands of the global economy, its trends and requirements, with almost palpable glee (Gibson-Graham 1996, Ch. 5). The certainty of their knowledge compensates them for what they have to give up; their pleasure in renunciation is that of a good servant, slave or son. Being in the vicinity of power and being on its good side is a way of vicariously enjoying power, even though that power constrains us. Groveling has its satisfactions, not least of which is making others grovel. And renunciation is okay if everyone else has to renounce too. (This is the Greenspan phenomenon. Alan Greenspan was the spokesman of God, the oracle – witness our pleasure in acceding to his demands, awaiting his every word, and his evident pleasure in making his pronouncements.)

environmental politics yet share a sense that their efforts are up against larger trends and forces. Resisting these seems to involve reducing individual consumption or choosing to consume products that are locally produced or environmentally friendly. Some feel that it is imperative to set themselves apart from a larger economic system. One person refuses to buy any produce from tropical countries for fear of the harm that is done to the environments where they are produced and the negative externalities associated with their transport to this bioregion. A local business owner actively discourages customers from traveling more than half an hour to dine at his bioregionally-oriented restaurant.

The personal practice of delinking from the global economy is often accompanied by an intense moralism. One interviewee told us, for example, that he limits his associations to people who are as committed to environmentalism as he is – those who “walk their talk.” In his effort to be a living example of environmental commitment, he only buys locally and in season and limits his trips into town to once a month at most. In this and other cases, saying no to the global economy takes the form of an obsessive and rigorous self-audit – “How am I transgressing? What more can I refuse to enjoy?” The environment functions as yet another authority whose demand for loving obedience can never be satisfied. If the process of economic development seems to interpret the demands of the Economy as the demand for *more*, the Environment is imagined to be making the opposite demand for *less*.<sup>10</sup>

### **> Accommodating the economy: environmental pragmatism and sustainable development**

While one group of environmentalists seems to express their consciousness of scarcity in terms of restraining individual choice, others hope to develop alternative approaches to business that take environmental principles to heart. Yet, when environmental conservation gets mapped onto the global economy, what we experience is the demand for growth under environmental constraints. Sustainability becomes a practice of reconciliation/compromise, in which economic development and environmental conservation share the quality of scarcity. Conventional development practitioners in our area who have (grudgingly) taken up the language of sustainability remind us that “sustainability” is about combining hard-nosed business practices with process re-engineering, waste reclamation, and savings on energy bills. From this perspective, sustainability must above all not threaten the existing economic order and the drive to accommodate its demands.

It seems that those of us interested in sustainable development are left with the choice between resisting or accommodating the demands of the global

10 There is another consequence to this as well. An environmentalism that focuses on personal accountability – moral purity – comes with a tendency to imagine others as the principal cause of impending ecological failure. Here one is reminded of a key psychoanalytic insight about the nature of social hatred where one imagines that the hated other’s enjoyment – their money, body odor, hyper-sexuality, loud music, large families, environmental transgressions, etc. – comes at one’s expense.

capitalist economy.<sup>11</sup> In either scenario, we find ourselves fixated on and limited by what the Economy will or will not allow. As we struggle to meet its requirements and thus ensure our survival, we give up our freedom – including the freedom to organize our economies around local values and capacities. Our economic imaginations are confined to thinking about how we can serve the Economy, or at least not transgress its imperatives too blatantly. Our economic pleasures are restricted to those of impudent resistance, resentful renunciation, slavish obedience, or pronouncing and enforcing the law.

At this point of impasse, it may be fruitful to return to psychoanalysis for insights as to how we might proceed, taking instruction from the intimate laboratory of the analyst's couch. A goal of any analysis is to convince the analyst that there is no social or parental other that stands at an authoritative distance, making demands that must be obeyed, resisted, or accommodated, and standing in the way of satisfaction. What if it were possible to do the same thing for ourselves as subjects of Economy and sustainable development? What if we could produce a different representation of economy that no longer functions as a force outside community that issues demands?<sup>12</sup> If a different understanding of economy were to free us from obsessively trying to satisfy (or resist) an external master, what new conceptions of “sustainable development” might emerge? In our view, what is required is not a singular or comprehensive theoretical alternative to an economy defined in relation to the concepts of scarcity, trade-off, and competition. Rather, our project is to develop a language which displaces the consolidating power of these concepts. We can start by posing a series of questions: why do we speak of an immutable scarcity instead of provisional limits? Why is the concept of “trade-off” confined to a bureaucratic language of policy discourse instead of being situated in an ethico-political language? Why does “competition” remain our dominant concept of economic behavior instead of cooperation and generosity (Gibson-Graham 2006)?

## **There is no *economy*: re-presenting economic diversity**

Conventional economic development practice confines our imagination of economy to a limited set of practices and institutions – most prominently among them,

11 The YES of the development practitioner is matched by the NO of the environmentalists. In practice, sustainability becomes the art of unsatisfactory compromise between the two.

12 There are a number of efforts under way to realign the relationship between economy and environment in a way that avoids the idea of a trade-off between the two (see, for example, Hawken et al. 1999). The idea in each of these books is that following natural principles will allow us to have an enterprise or an economy that is at once more profitable *and more* sustainable. For us the trouble with such a perspective is that it runs the risk of essentialism, either economizing nature or naturalizing the economy. We are saying that between the two there can be harmonization, there can be conflict, there can be trade-offs – and all of these rest on (re)conceptualizing the economy as a space of decision/ethics.

wage labor, market exchange, and capitalist firms. This limited imaginary leaves us few options in meeting the challenge of sustainability – we can say YES or NO to capitalist growth, we can accommodate or resist the demands of capitalist enterprises. One way of moving beyond this dreary and limited set of options is to recognize an expanded economic terrain that includes *all* the different processes and sites (capitalist and non-capitalist) involved in producing and distributing goods and services. This could help to disrupt the fantasy of a singular logic of economic development – the self-referential and self-enclosed logic of capitalist growth – and allow us to understand development as engendered by an unspecified combination of economic practices.

A principal goal of our action research in the Pioneer Valley (called the Rethinking Economy Project [REP]) was to produce a different representation of economy in order to enact a different politics of development.<sup>13</sup> Although most people (on the left and right alike) identify the economy with the market, and both with capitalism, a number of traditions and disciplines call into question this reductive conception of economic identity. Feminist economic theorists, for example, have challenged the conventional assumption that households are merely sites of consumption, pointing out that the goods and services produced in households account for 30 to 50 percent of GDP in both rich and poor countries (Waring 1984; Ironmonger 1996; Folbre 2001; Cameron and Gibson-Graham 2003). In a similar vein, economic anthropologists, sociologists, and geographers have emphasized the extent of informal production and non-market exchange, documenting the size and importance of the informal sector in Europe, the Soviet Union and, more recently, in post-Soviet states (Mingione 1991; Shanin 1988, 1999; Pavlovskaya 2002; Johannisova 2005). Academics and advocates have demonstrated the role that the non-capitalist activities of the self-employed, worker-owned cooperatives, community business corporations, and inter-cooperative networks play in Canada, Spain, India, and indeed throughout the world (Nadeau and Thompson 1996; Arvidson 2000; Perron 2000; Leyshon *et al.* 2003; Gibson-Graham 2003, 2006). These businesses and networks produce goods and services for a market, but not under capitalist relations of production.

All of this scholarship and related activism have had an impact on economic development as practiced in both developed and developing countries. The European Union has commissioned special research into the role of the social economy – a term that essentially combines non-market, non-profit, and some governmental economic activity – in creating social well-being (Adaman and Madra 2002). Similarly, informal economic activities, particularly the activities engaged in by women, have become the focus of development practice in the so-called less developed countries (Benería and Feldman 1992). In the US,

13 In other words, we wanted to produce a new everyday economic imaginary, inspired by scholarship from many disciplines and traditions.

Kretzmann and McKnight (1993) have shown that individual and institutional talents and capacities can be mobilized to develop low-income communities; many of their projects have translated volunteer effort into community-controlled capital, housing, or businesses. Gunn and Gunn (1991) also explore ways that community-controlled businesses can be integrated into the development process. Lastly, drawing on the experiences of the Mondragón complex of cooperatives in Spain, scholars and activists worldwide have begun to use the formation of worker-owned cooperatives in a variety of industries as a strategy for the revitalization of economically marginalized areas (MacLeod 1997; Franke 2003; Mutersbaugh 2002).

Taking its inspiration from all of these efforts, the Rethinking Economy Project aimed to document the existence and importance of diverse forms of labor remuneration, transactions, and economic organization in the Pioneer Valley of Massachusetts. By means of qualitative research undertaken through focus groups and open-ended interviews, we inventoried a wide range of individuals, networks, and institutions engaged in economic activity that lies outside conventional conceptions of economy. We found that volunteering, gift-giving, bartering, and non-market-oriented production are of vital importance to households and neighborhoods in the Valley.<sup>14</sup> Also identified were sole proprietorships, worker-owned collectives, and capitalist businesses in a variety of industries that were motivated by social or environmental goals as well as conventional bottom-line concerns. All of these economic activities, along with their conventional and more familiar counterparts, are represented schematically in Figure 18.1. This figure is both open-ended and provisional, continually under revision as we encounter different ways of performing economy in the communities where we are doing our action research.

The top line of the figure represents what is usually thought of as “the economy,” involving market transactions, wage labor, and capitalist forms of organization.<sup>15</sup> The shaded area – incorporating alternative trading relations and non-market transactions, differently remunerated and unpaid labor, and alternative capitalism as well as non-capitalist businesses<sup>16</sup> – is seldom if ever recognized as accounting for a significant portion of economic activity. Yet, as noted above, quantitative research by feminist economists and informal sector analysts has established that (a subset of) this activity constitutes approximately 50 percent of economic activity in both rich and poor countries.

Even when the quantitative prevalence of non-capitalist economic activity is acknowledged, however, the presumptive preeminence of capitalism is difficult to dislodge. Activities in the shaded area tend to be viewed through the prism of what

14 Furthermore, some of these informal economic activities take place in the context of formal employment, suggesting that informal and formal economic activities are often intertwined.

15 The rest of Figure 18.1 is intended to be read down the columns rather than across the rows.

16 Capitalism is defined minimally here as a site in which surplus labor is produced by free wage laborers, and appropriated from them in value form by a capitalist (or board of directors of the capitalist firm).

<i>Transactions</i>	<i>Labor</i>	<i>Organizational Form</i>
<b>MARKET</b>	<b>WAGE</b>	<b>CAPITALIST</b>
<b>ALTERNATIVE MARKET</b> Local trading systems Underground Barter Co-op exchange Alternative credit	<b>ALTERNATIVE PAID</b> Cooperative Self-employed Indentured In kind	<b>ALTERNATIVE CAPITALIST</b> Environmental ethic Social ethic State capitalist Non-profit
<b>NON-MARKET</b> Household flows Gifts Gleaning Indigenous exchange Theft	<b>UNPAID</b> Volunteer Housework Neighborhood Family care	<b>NON-CAPITALIST</b> Communal Independent Feudal Slave

*Figure 18.1* A diverse economy

we have called “capitalocentrism” – as either dependent on capitalism, in service to capitalism, engaged in capitalist reproduction, alternative to capitalism, or prior to full capitalist development (and, therefore, backward rather than progressive) (Gibson-Graham 1996). In all cases, a hierarchy is maintained in which capitalism represents the true economy or economic center and everything else is subordinate, inferior or at best peripheral.

One of the goals of the REP has been to combat this hierarchical and capitalocentric reading of economic difference. Figure 18.1 resituates capitalism within a diverse economic field, re-visioning it as one type of economic practice among others, and helps to displace “the capitalist economy” from its position of authority and exteriority as the global economic other of local economic development. With our co-researchers in the Community Economies Collective (CEC), Jenny Cameron and Katherine Gibson, we have used this diagram (in various versions) to explore existing and possible relationships among the diverse activities represented and between the capitalist and non-capitalist sectors. With the exception of things like theft, slavery, feudalism, and indentured labor, virtually all of the items in the shaded portion of the diagram could be enrolled in the process of local economic development. We have begun to envision a development process that involves speaking an alternative economic language (both academic and everyday) and fostering mutually sustaining relationships among activities, individuals and organizations in the shaded area (though not excluding interactions with the capitalist sector) (Gibson-Graham 2006).

## **Building the community economy: economic development as sustainable development**

Rethinking economic development in relation to the diverse economy undermines the uniform logic of development that we saw in export-base theory, in which capitalist economic growth offers the one true path to social well-being. The “diverse economy” reveals a constitutive lack in the logic of capitalist growth by identifying its repressed conditions of existence (the shaded area in Figure 18.1), thus destabilizing its apparent singularity and self-sufficiency. This helps to re-politicize development, making it imaginable as a diversity of political and ethical projects pursued under a variety of geographic and economic circumstances. But politicizing economic development is not restricted to the strategy of identifying the role of hidden economic elements. It also involves redefining growth through rearticulating these capitalist and non-capitalist elements around a new logic, that of “building the community economy.”

If the “rethinking economy project” explodes the dominant logic of capitalist self-sustenance and self-expansion, what we have called the “community economies project” installs a different logic in its place. But how do we specify a new logic without constricting the space of freedom opened up by economic rethinking? Struggling over the years with this question (see Gibson-Graham 2006, Chapters 4, 5, 7), we have come to define the “community economy” as a negotiated space of interdependence. Unlike capitalist economic development, which is tied to a necessary set of elements and processes, building a community economy does not prioritize particular organizations and activities; rather it prioritizes keeping open the ethical and political space of negotiation that is the community economy itself.<sup>17</sup>

To activate alternative development dynamics in building community economies, we need to shift our focus away from the current obsessive preoccupation with means (capitalist industrialization and expansion) and toward continual awareness of ends (social well-being). Two existing strategies in particular stand out as potentially productive in this re-imagining of economic development: the first involves “producing well-being directly” rather than through the generic and circuitous route of capitalist industrialization; the second involves commodity production for export with a different emphasis, in which the surplus realized through the sale of commodities is marshaled for use by the community. Each of these strategies can also be used to meet community needs for environmental conservation. Unlike the “global economy” with its demands for competitiveness and industrial growth, the community economy allows us to imagine a practice of integrating environmental concerns with development agendas without forgoing

17 We are indebted to Ceren Özçelcuk for this formulation. Though many such relationships would be enacted at the local or regional scale, it is possible to imagine a process of constructing economic community at a national or international scale. One example of the latter would be an alter-trade network connecting consumers in wealthy countries with producers in poorer areas of the world (Gibson-Graham 2006).

one or compromising both. In what follows, we offer examples drawn from our research.

### **> Nuestras Raices (“Our Roots”) and Holyoke Health Center: increasing well-being through environmental improvement**

The first example focuses on creating well-being directly. In 1992, Nuestras Raices, a community-based NGO in Holyoke, Massachusetts, began taking over vacant lots in the city and turning them into community gardens. Over the years, the garden program has expanded to include 8 sites and more than 100 families, a homeless shelter, and 5 children’s groups. The gardens are divided into plots which can provide member cultivators with up to a \$1000 worth of fresh produce, including crops that have cultural significance in the Puerto Rican community and are not readily available elsewhere. Executive Director Daniel Ross recently explained to visitors from the Planners’ Network (2002) that the gardens are about transforming Holyoke from a landscape of despair and abandonment to one of hope and possibility. He asked us to imagine a young child walking to school past abandoned lots and rat-infested garbage dumps and the same child walking past spaces that are active sites of community, biological growth, and physical beauty.

As the Nuestras Raices garden project has grown, it has begun to interact with the market sector of the local economy. Some of the plots have been turned into market gardens selling directly to restaurants; many gardeners sell surplus vegetables through a booth at the Holyoke farmers market staffed by the Nuestras Raices youth program.<sup>18</sup> And while the organization still considers the gardens to be central to their mission and to the community they have fostered, they have recently expanded their sites and activities. With donations of money and materials from over a hundred different organizations (including local businesses), many hours of volunteer labor, and gifts of services from local architects and builders, they renovated an abandoned property sold to them by the city of Holyoke. The recently completed Centro Agricola houses a greenhouse for starting seedlings, meeting rooms and class rooms, a business incubator, and a commercial kitchen that can be used for catering and food processing as well as being the base of operation for an adjoining restaurant and the El Jardin Bakery.

Nuestras Raices may be seen as a relatively small venture in terms of the number of people it serves or the value that it produces. Nevertheless, it is an example of the way volunteer labor and other forms of generosity can generate the possibility for a number of market-oriented businesses to form. This labor and other gifts have a multiplier effect in the sense that they lead to the creation of local enterprises and

18 Of course, produce transactions are not limited to market exchange – many involve gifts to friends, neighbors and other gardeners. As Jaime, the garden coordinator, says “The tradition of giving is inside gardening itself” (Community Economies Collective 2001b).

employment. Nuestras Raices understands what they are doing as an alternative practice of development that:

- actively involves the community;
- builds on what people already know (agriculture, in this case); and
- attempts to deliver what they specifically need.

Rather than pursuing the generic path of capitalist industrialization, they create social well-being directly by contributing to the health, freedom from hunger, youth education, neighborhood revitalization, and sense of community of Holyoke residents.

Nuestras Raices is not only engaged in building a community economy within its own organization but also in collaboration with other organizations in Holyoke. It is here that we find an example of their impact on environmental sustainability in the city. During the mid-1990s, together with several other organizations, they became involved in community mapping, helping to produce a map that correlates toxic releases with ethnicity and income levels in Holyoke, where there is an alarming incidence of childhood asthma. Through the community mapping project, they were able to identify a number of local pollutant sources and asthma triggers, including open air auto-body shops. As members of the community, the community mappers were able to appeal to people engaging in these illegal practices to relocate their businesses. This not only improved the local environment but also freed up the resources of another organization, Holyoke Health Center (HHC), a community health facility oriented to low-income Holyoke residents. Executive director Jay Breines points out that every hospital run for a child with an acute asthma attack costs \$1000, and every time the state can be spared this expense it means money that's available for something else (2002, personal communication). Could we be witnessing here another type of multiplier effect that links community economic practices and institutions to increased well-being (including improved environmental quality)? In this example, there's no trade-off between economy and environment, and improving environmental well-being doesn't require developing an export sector to satisfy an external master. Instead it involves people recognizing their interdependence (e.g., the connection among youth asthma, local business practices, and HHC resource allocation) and negotiating with each other to produce a healthier environment. Sustainable development is about nurturing relationships and constructing community rather than activating and accommodating the logic of growth.

### **> Mondragón and Mararikulam: marshaling surplus for environmental sustainability**

The second set of examples involves marshaling surplus to develop and sustain the community economy, including the environmental and social commons. We begin with the famous Mondragón cooperative corporation (MCC), a complex of more than a hundred worker cooperatives located in the Basque region of Spain

(Gibson-Graham 2003). Like *Nuestras Raices*, Mondragón started small. In the mid-1950s, five men founded a business making and marketing paraffin cook stoves. Under the tutelage of their local priest, Don José María Arizmendiarieta, they decided to organize the business as a worker cooperative. This meant not only democratic decision-making but the involvement of all workers in appropriating the wealth that is realized as a surplus, over and above the costs of production. After a number of other coops had been formed on the same model, the group of cooperators decided to start a bank in the late 1950s, again at the urging of Don José María. The primary purpose of the bank was to foster the development of other cooperatives in the region. Each coop agreed to manage their surplus in a way that would support the bank and its goals – 10 per cent went to charity by Spanish law, 20 per cent was retained by the cooperative, and 70 per cent was distributed to the individual cooperators, to be deposited in the bank until retirement. With the pooling of funds through the bank – actually the creation of a financial commons – the number of cooperatives has grown rapidly. Today the Mondragón community economy involves more than 100 industrial coops making and selling everything from household appliances to robotics to automotive parts; they operate a huge chain of retail stores, and provide housing, a hospital, and the full range of social services and educational institutions, with everything organized along cooperative lines.

If you talk to Mondragón cooperators, as we were able to a few years ago, they will tell you that they succeed because of, rather than in spite of, their ethical principles. Because capital is subordinated to community, for example, economic instability does not result in massive layoffs. Instead cooperators are sent back to school for retraining or shifted to other cooperatives. It is easy to imagine that this experience would positively affect their commitment to cooperative work.

Like other industrial communities, the Mondragón complex in the 1950s was not particularly oriented to environmental values. As the environment became a matter of world concern, Mondragón was able to act collectively both to retool their processes to be more environmentally friendly and to invest in product technologies that are in line with the values of conservation. The 2002 Annual Report points out that a large number of Mondragón's cooperatives have gone through the ISO 14000 environmental certification process (MCC 2003, 4).<sup>19</sup>

The point here is that a Mondragón coop is more than an industrial enterprise organized along cooperative lines – it is a business whose economic self-interest coincides with the interests of larger community in which it is located, including the interest in a healthy environment. This “coincidence” of interests is not an accident but an outcome of political and ethical struggles to live

19 ISO 14000 is one of a series of voluntary international business standards issued by the International Organization for Standardization, a network of national standards institutes involving 148 countries. With the publication of ISO 14000 in 1997, the environment took its place alongside standardized part sizes, total quality management, health and safety practices, and other standards that had been established in the earlier incarnations.

up to the original Mondragón principles of people before profits and capital as an instrument. Through the same types of struggles, the cooperatives have transformed the global economy from a governing logic and external power to a terrain of local efficacy and empowerment. As issues arise, including market downturns, international competition, worker discontent, and environmental degradation, the cooperators address them through a democratic process. Rather than viewing environmental conservation as inimical to the laws of the global economy, Mondragón simply recognizes and deals with environmental challenges as it deals with social and economic challenges. There is no global economy issuing immutable laws and non-negotiable demands – just problems and opportunities and business as usual. What helps in this case is that the cooperators, through the bank where their produced wealth is pooled, are in charge of deciding how to allocate that wealth, including to the environment.

Mondragón is also a powerful idea that has migrated to other parts of the world, including the state of Kerala in southwestern India. Kerala has a history of democratic communist government and rates of literacy, infant mortality, and life expectancy approaching those in developed countries (Franke 2003). These statistics become even more intriguing when one considers that Kerala is one of the poorest regions in India, with a GDP per capita of about \$200. Kerala is also the site of the Mararikulam experiment, which draws its inspiration directly from Mondragón. Like Mondragón the idea is to create cooperative businesses that will in turn capitalize other ventures while meeting community needs.<sup>20</sup>

The Mararikulam experiment began in the late 1990s with neighborhood savings groups among women. Even the savings of very poor people, if they are pooled on a large enough scale, can create a strong basis of capitalization. In this case, savings from 17,000 women were used to start up a number of soap-producing enterprises organized along cooperative lines. In 2002, the cooperators secured a pledge from 30,000 women to buy Maari soap rather than imported brands. In addition to tapping into this large local market, the Maari soap producers make use of abundant local supplies of coconut oil as the principal ingredient in their soap.

By 2003, the Mararikulam experiment had started several more cooperatives producing school supplies for local children. This second phase combines Kerala's regional commitment to education with Mararikulam's egalitarian industriousness. Phase three will involve the formation of cooperatives engaged in fishing, aqua-culture, and fish processing that will satisfy both local and extra-regional demand. Like the Mondragón cooperators, the Mararikulam cooperators are beginning to marshal surplus that can be used to capitalize other businesses and to enhance Mararikulam's ability to meet community needs. Unlike Mondragón, they have incorporated environmental concerns from the beginning, recognizing

20 One striking difference is that the participants are all women.

that “protecting and/or enhancing the resource base is essential to long-term sustainability and that ... environmental issues should not appear as tag-ons to projects emphasizing other goals” ([www.mararidevelopment.org/project.htm](http://www.mararidevelopment.org/project.htm)). They are reviving ocean fish populations by constructing artificial reefs (employing a technology developed for earlier Kerala experiments), using locally produced compost and manure for agricultural projects (including pesticide production from coir pith manure), harvesting rainwater with the hope of improving local water tables and water quality, and in general constructing the human/environment relation according to an ethic of wise use. Environment and development are integrally connected; indeed, the goal of development – increased social well-being – incorporates environmental renewal as an inherent aspect.

In conventional economic development the surplus wealth that a firm generates can hemorrhage out of the region. In the case of both Mararikulam and Mondragón, the surplus wealth is retained in the community and can be directed in accordance with the community’s values. No incontrovertible logic of profit maximization stands in the way of ethical and political decision-making about the production and utilization of wealth for sustainable ends.

### **Resistance to the community economy: Return of the economy**

Nuestras Raices, Mondragón, and Mararikulam are all (wholly or in part) producing for a market as a means of meeting community needs in accordance with a particular ethic. In each instance, the “environment” is understood not as a limit to growth but as an integral aspect of community well-being. Taken together, these examples allow us to make the case that sustainability need not be seen as the “enemy” of economic development. Yet every time we argue this case, we confront the same objections from members of our audience. These fall into three broad categories that we call “exceptionalism,” “reproducibility,” and “complementarity.” Each of these objections subsumes our examples to a capitalocentric imaginary and, in its moment of enunciation, betrays a certain disciplinary pleasure; it is here that concepts of scarcity, trade-off and competition reassert themselves as the unalterable conditions of the Economy.

Our encounters with these objections remind us that the obstacle to sustainable development is not only development as usual; it is also our perversely enjoyable investment in dominant forms of subjection and the attendant lack of desire for things to be otherwise. Recompense for the dissatisfactions of economic subjection comes in part through denying the possibility of escape (to oneself and others) and identifying with the power of the master/ enforcer.<sup>21</sup>

21 This could also be seen as a refusal of hope. Hope brings with it the possibility of *actual* failure and disappointment as well as a profoundly different sense of the way that we are implicated in the process of sustainable development.

## > Exceptionalism

Perhaps the most common response is that there is something unique (and thus not replicable) about the geographic location, the people or the historical circumstances that generated these alternatives. When we recently presented a version of this paper, one person insisted that these things only emerge in extreme situations. People resort to solidaristic behavior only when circumstances compel them to. Thus, Mondragón would never have happened without the repression of the Basques by the Franco dictatorship, and Mararikulam only works because extreme poverty offers no alternatives. A few minutes later, during the same question and answer session, another person argued that it is really the social and economic privilege of the Pioneer Valley of Massachusetts (where *Nuestras Raices* is located) that allows these sorts of experiments to thrive in our region. What's obvious, yet remarkable, about these two versions of exceptionalism is the extent to which they cancel each other. One insists that community-economy experiments emerge under pressure and privation while the other asserts that alternative approaches to development are only possible in communities that are wealthy, progressive, and rich in the spaciousness of leisure.

Another sort of exceptionalism argues that Mondragón and Mararikulam are ethnically and culturally homogeneous and this type of communal experiment would never work under more "usual" circumstances. In each instance, a distance is created between sites of economic experimentation and the economy as usual. It is symptomatic, furthermore, that every time we deal with one form of exceptionalism another arises to take its place. This tells us that we are hitting a nerve in capitalocentric discourse. Our interlocutors know, and are being forced to reassert, where the true locus of power and agency resides, which is outside the community in the global economy. The implication of exceptionalism – whether we are talking about unique pressures, privilege, or homogeneity – is that sites of experimentation are irrelevant to the world at large because they will not emerge under "normal" conditions. *Nuestras Raices*, Mondragón, and Mararikulam will never contaminate business as usual and become more widespread.<sup>22</sup>

## > Reproducibility

We meet another sort of objection when we talk about the activities of groups like *Nuestras Raices* and their connections with their economic and social environment. Over the course of its existence, *Nuestras Raices* has been the recipient of numerous gifts. The land for the original garden was given by the Catholic Church, the building materials for the *Centro Agrícola* were donated by local businesses,

22 This conception effectively confines each moment of community-economy experimentation to the social and imaginative interstices. Community economies are afloat on the sea of capitalism. What if capitalism were the interstitial activity, floating on the currents of a huge community economy – billions of household economies, hundreds of millions of neighborhood economies – a sea awash with difference, experimentation and becoming?

and construction labor was largely obtained on a voluntary basis. Moreover, the organization is partially funded by grants. The question inevitably arises: if *Nuestras Raices* is so dependent upon charity, how will it reproduce itself? How will it become “sustainable”?

Implicit in this question is the belief that the hallmark of viability is economic self-sufficiency. From this perspective *Nuestras Raices* would be a “model” only if the businesses it fostered returned enough rent or other forms of support to free it from relying on grants, personal generosity, and state support. Even when we point out to people that conventional capitalist enterprises are not truly independent – they depend upon the state, for example, to provide infrastructure and other requisites such as employee training, tax abatements, and various forms of “corporate welfare” – capitalist businesses are held up as the standard of reproducibility because they (sometimes) amass large surpluses and are imagined to be self-sustaining.

In relation to organizations like Mondragón that have proven themselves on the battlefield of commerce, the issue of reproducibility manifests in terms of exceptionality: Mondragón is imagined to be the beneficiary of special market conditions without which it would have never survived. Schweickart, for example, predicted that Spain’s entrance into the common market would kill off Mondragón by forcing the cooperatives to compete under new conditions (MacLeod 1997, 17).<sup>23</sup> The point once again is that capitalocentric discourse endows the capitalist firm with a protean resiliency while imagining everything else to be fragile. Individual capitalist enterprises may die but those that remain are stronger, in a “survival of the fittest” narrative that doesn’t extend to the community economy. Like the exceptionalism objection, the reproducibility issue persists, no matter how often we point out that it could be addressed to everything and anything, that every enterprise is dependent on its conditions of existence for its reproducibility, that every human endeavor is subject to change if the conditions that surround it change.

### **> Complementarity**

The third objection imagines that all non-capitalist activity – including household activity, volunteer labor, NGOs like *Nuestras Raices* – exists to reproduce capitalism and is also dependent upon capitalism for its reproduction. *Nuestras Raices* couldn’t exist without at least some people in the community having access to wage employment; it is dependent on gifts from capitalist businesses and grants from foundations established by capitalists. Householders can only perform their unpaid labor because wages from the capitalist sector purchase the inputs for the household production process. Mondragón wouldn’t exist without international markets, and Mararikulam will come to depend on these

23 Of course, Mondragón has thrived in the European market, which may now be seen as another “special condition.”

as well.<sup>24</sup> Through such representations, the community economy becomes the complement to the capitalist market economy. In its complementary position, moreover, it tends to be seen as deliberately or unintentionally supplanting the state, which is the *appropriate* complement to the market, rightfully charged with capitalist reproduction: “It’s encouraging to see organizations like Nuestras Raíces working with the community, but isn’t your celebration of its achievements giving permission for the further withdrawal of the welfare state?” Underlying this specific challenge is a general suspicion that fostering the community economy is actually just helping to advance the neoliberal agenda.<sup>25</sup>

During one Q&A, an individual argued passionately that: “these organizations and alternatives are fine, so long as they don’t challenge business as usual.” In other words, when they reach sufficient size to be threatening to the established order, they will incur capitalist wrath or state repression or both.<sup>26</sup> It is through this inversion – community economy as threat – that we see most clearly that the complementarity of the community economy is actually a relation of subordination. On numerous occasions we have responded that this same logic of subordinate complementarity could be applied in reverse (CEC 2001a; Graham, Healy and Byrne 2003), making the case that the success of capitalist firms depends on a solid and vital community economy. Like our other rejoinders, of course, this one fails to surmount the resistance embodied in the objection.

Even, and perhaps especially, those who are critical of economics (and politics) as usual are reluctant to let go of capitalism as the dominant or determinant force in the economy. All of this has left us wondering how to portray the activities on the top line and those in the shaded portion of the diverse economies diagram (see Figure 18.1) interacting with one another without imagining that one is necessarily subordinate to or less viable than the other. Just what sort of adjustment is required to see a community economy as not the subordinate *complement* but simply in *relation* to capitalist activity?

### Simple relationality: a postcapitalist practice

There is apparently little that separates a complementary understanding of the relationship between a community economy and the capitalist economy from a relational understanding. Both imply interaction between the top line and the shaded portion of Figure 18.1. One insists on the subordination and dependency of the shaded elements while the other endows them with a degree of autonomy without foreclosing on possible interactions with capitalist/wage/market activity. Indeed, from the latter perspective, we remember that capitalist activity exists

24 Note that markets are often conflated with capitalism, though of course goods and services produced in a variety of production relations are transacted in markets.

25 A suspicion characteristic of what has been called “left paranoia” (Sedgwick 2003; Gibson-Graham 2006).

26 This, of course, is an indirect way of saying they are small and inconsequential.

in the shaded area as well and is potentially enrolled in a community economy (Gibson-Graham 2006; Adaman and Madra 2002).

The point, then, is that the difference between complementarity and simple relationality is *a matter of perspective*. A relational vision that insists on the importance, possibilities, and relative autonomy of a community economy does not require us to deny the existence, importance, or power of capitalism. To move beyond the capitalocentric imaginary simply requires that we *let go* of capitalism as the reference point against which we gauge our successes and failures and understand our possibilities of action and becoming. When capitalist firms become simply one site of economy rather than embodying the law of economy, we know we have made the “leap of faith” that is required to see things differently. When we recognize relationships, including ones with capitalist firms and the natural environment, as ethical projects rather than foreordained structures of dominance and subordination, we are free to take on the ethical and political project of constructing an environmentally sustainable community economy.

While a vision of relationality does not suggest any particular way that capitalist institutions and practices will interact with non-capitalist ones, it opens the possibility of a variety of interactions. Once capitalism is no longer in the position of constraining every goal and action, the logic of relationality (which does not foreclose) allows that capitalism may even enable the building of a community economy and performing environmental stewardship. An innovative project in the Pioneer Valley provides an example of this seemingly unlikely convergence, one that brings into play our two development strategies of marshaling surplus and creating well-being directly.

### **> E2M, Nuestras Raices and a relational economic ethic**

Along with an energetic group of supporters, Michael Garjian, a social entrepreneur in the Pioneer Valley, is currently instituting a new business model that embodies what he terms “community-conscious capitalism.” Garjian calls his model E2M, which stands for “the second economic model” or “economics for millennium 2000” (see [www.e2m.org](http://www.e2m.org)). E2M offers business certification and a range of services and benefits to certified businesses, including low-interest loans, low-key venture capital, and a loyal base of local consumers. Local businesses can become E2M-certified by gifting 5 to 20 percent of their equity to the community and another 5 to 20 percent to their workers. The former will create a revenue stream to a community fund, administered by representatives of the local community, to be invested in capitalizing more E2M businesses (and thus enlarging the flow of community revenue) or to be allocated to social or environmental needs.

An elected regional council will control the community fund, devoting a substantial portion to capitalize (or even buy out) other businesses that will also become members of the E2M community. The council’s operation is similar to that of the Caja Laboral Popular, the cooperators’ bank of Mondragón. It receives distributions of surplus from E2M businesses and invests these in ways that reflect

the goals of the community and increase the size and power of the community economy. How any particular round of investment is to be directed is left intentionally unspecified. If the regional council is concerned with addressing environmental problems or rectifying social inequality, it will have the power to make decisions on the basis of those concerns. As with Mondragón, capital is subordinated to community, and its purpose is to serve community well-being, as defined by the regional council.

It is here that we can imagine a potential interaction between a capitalist-based institution (E2M) with organizations that are rooted in the non-market sector, such as *Nuestras Raices*. Currently *Nuestras Raices* needs to apply to organizations like the Ford Foundation in order to support its efforts. How might the process of seeking and receiving support be different if their appeal was directed to a fund controlled by the local community? It is likely, for example, that businesses being started by the organization would join and support E2M, creating a relation of mutual reinforcement across the capitalist/non-capitalist divide. Rather than reproducing an ordained subordination, this interaction would be a contingent locus of mutual transformation.<sup>27</sup> One recent *Nuestras Raices* initiative offers a concrete (if speculative) example of just such an interaction.

In the spring of 2004, with the help of outside grants, *Nuestras Raices* was able to purchase a four-acre plot of land that it is converting to an organic farm for larger scale agricultural production.<sup>28</sup> Prior to cultivation, the land was cleared of secondary growth – mostly sumac and silver maples that line the shores of the Connecticut River. This was accomplished through a series of work parties organized by *Nuestras Raices* that drew both their own members and students from Holyoke Community College and the Five College consortium in the region (including the University of Massachusetts).

*Nuestras Raices* did not undertake this expansion under the rubric of “growth is good” but from an explicit ethical position of refusing to separate economic development from social and environmental well-being. In their view, the purchase and development of this property advances both the economic and environmental goals of the organization. Moreover it is easy to see how this project could have been facilitated (probably at a larger scale) through a relationship with E2M, implicating E2M in sustainable development practice in the Valley and creating the likelihood that new E2M businesses will emerge from a *Nuestras Raices* commercial venture. In this imagined interaction, care is taken not to subsume *Nuestras Raices* to capitalism (in its E2M guise) nor to subordinate environment to development. Sustainable development becomes visible as an ethical and political practice of creating a community economy, rather than a trade-off between the established antagonists and competing masters of economy and environment.

27 Of course, relationality does not specify the nature of relationships, which might be antagonistic as well as cooperative or supportive.

28 In addition, Sean Gaffney, at student at the Conway School of Landscape Design, created a site plan for the successful Ford Foundation grant application that funded the land purchase.

## Conclusion

Our local research has revealed that most business people, planners and environmental activists in our area still imagine sustainability as a point of compromise between environmental conservation and economic development. In our view, this goes a long way toward explaining the reluctance and ambivalence that surround the concept of sustainability. Environment functions as a limit on growth rather than being articulated in relation to a new understanding of economy and development.

For us, the examples of community economies in Mondragón, Mararikulam, and the Pioneer Valley (Nuestras Raices and E2M) embody an actually existing practice of sustainable development, one in which development is not opposed to environment, where people are not forced to say NO to environment if they say YES to development (and vice versa). They offer a new approach to thinking the process of development where scarcity becomes a provisional limit on time and resources that can be shifted via processes of cooperation, experimentation, and generosity. Through the ethical and political practice of building their community economies, the people involved in these sites and organizations have established their freedom from the law of the capitalist Economy, refusing to subordinate the environment and other concerns to its demands and requirements. In the process, they have also refused to treat sustainability as either a technical outcome or a vision of unattainable purity and associated renunciation, two of its familiar incarnations. Rather they have engaged in the practice of sustainable development just as they have engaged in the other practices involved in building their community economies – by incorporating the environment into their values and principles, devoting attention to it, and negotiating with each other over its use and stewardship.

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# Appendix: Further reading

Here are some suggestions for further reading (and viewing), compiled by the contributors to this volume in their respective areas of interest and expertise.

## MARTHA STARR

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## MARY BETH PUDUP

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## EVAN WATKINS

Arguably nearly all aspects of literary study in English departments since the late eighties have been influenced one way or another by New Historicism. Cultural studies have been influenced much less, given that it was from the beginning more interdisciplinary. Here are a few select texts that helped map the visible coordinates of New Historicist interests in the eighties, across several historical periods in British and US literature.

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- Veeser, H. A., ed. 1989. *The New Historicism*. New York: Routledge. (Among other significant materials, this collection included a revised version of Louis Montrose's influential essay, "The Poetics and Politics of Culture.")

Edward Said and Gayatri Spivak are frequently cited as central to the academic development of postcolonial criticism and global studies in English and Comparative Literature departments, although both fields now involve a great many often-contentious directions of study. Here are some books and collections particularly noteworthy for emphasizing the connections between economics and culture.

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## THOMAS PATTERSON

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