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The Human Economy

Keith Hart, Goldsmiths University, UK and School of Development Studies, University of Kwazulu-Natal, Durban

Biography

Professor of Anthropology at Goldsmiths and Honorary Research Professor in the School of Development Studies, University of Kwazulu-Natal, Durban. He has taught on both sides of the Atlantic. He contributed the concept of the informal economy to development studies and has published widely on Africa and economic anthropology, especially on money (see www.thememorybank.co.uk).

Abstract

World society has been formed as a single interactive network in our time. Universal means of communication are now available to give expression to universal ideas. This essay explores the role of markets and money in the human economy. They are intrinsic to the extension of society from the local to a global level. By calling the economy human we put people first, making their thoughts, actions and lives our main concern. 'Humanity' is a moral quality of kindness and, since theoretical abstraction is impersonal, economic anthropology should pay attention to the personal realm of experience. But 'humanity' is also a collective noun, meaning all the people who have existed or ever will. So the human economy is inclusive in that sense too, requiring us to engage with society in its impersonal dimensions. Money mediates the personal and impersonal extremes of social existence. These reflections lead us to Kant's Anthropology from a pragmatic point of view. 'Anthropology' is indispensable to the making of world society. It would then mean whatever we need to know about humanity as a whole if we want to build a more equal world. This usage could be embraced by students of history, sociology, political economy, philosophy and literature, as well as by some anthropologists.

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The new human universal

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

A lot hinges on where in the long process of human evolution we imagine the world is today. The Victorians believed that they stood at the pinnacle of civilization. I think of us as being like the first digging-stick operators, primitives stumbling into the invention of agriculture. In the late 90s, I asked what it is about us that future generations will be interested in. I settled on the rapid advances then being made in forming a single interactive network linking all humanity. This has two striking features: first, the network is a highly unequal market of buyers and sellers fuelled by a money circuit that has become progressively detached from production and politics; and second, it is driven by a digital revolution in communications whose symbol is the internet, the network of networks. So my research over the last decade has been concerned with how the forms of money and exchange are changing in the context of this communications revolution.

My case for a recent speed-up of global integration rests on three developments of the last two decades: 1. the collapse of the Soviet Union, opening up the world to transnational capitalism and neo-liberal economic policies 2. the entry of China's and India's two billion people, a third of humanity, into the world market as powers in their own right and the globalization of capital accumulation, for the first time loosening the grip of America and Europe on the global economy and 3. the abbreviation of time and distance brought about by the communications revolution and a restlessly mobile population. The corollary of this revolution is a counter-revolution, the reassertion of state power since 9-11 and the imperialist war for oil in the Middle East. Certainly humanity has regressed significantly from the hopes for equality released by the Second World War and the anti-colonial revolution that followed it. On the other hand, growing awareness of the risks for the future of life on this planet entailed in current levels and forms of economic activity might encourage more people to take world society seriously. Humanity is now caught between national and world society; and that is why new ways of thinking are so vital.

By a 'new human universal' I mean making a world where all people can live together, not the imposition of general principles that suit some powerful interests. The next universal will be unlike its predecessors, the Christian and bourgeois versions imposed on cultural particulars everywhere by the West. The main precedent for discovering our common humanity is great literature which achieves universality through going deeply into particular personalities, relations and places. Ethnography is based on a similar principle. The new universal will not just tolerate cultural particulars, but will be founded on knowing that true human community can only be realized through them. There are two prerequisites for being human: to be self-reliant to a high degree and

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to belong to others, merging our identities in a bewildering variety of social relationships. Much of modern ideology emphasizes how problematic it is to be both self-interested and mutual, to be economic as well as social, we might say. When culture is set up to expect a conflict between the two, it is hard to be both. Yet the two sides are often inseparable in practice and some societies, by encouraging private and public interests to coincide, have managed to integrate them more effectively than ours.

The market

What are we to make of a world society whose formation is driven by an explosive and highly unequal combination of markets, money and telecommunications? Markets are networks constituted by acts of buying and selling, usually through the medium of money. For most of history, they were kept marginal to the mainstream institutions on which societies were built. But not long ago and at first only in some parts of the world, markets came to be accepted as central to society, leading to a vigorous political debate, which is ongoing, about the appropriate relationship between the two. Adam Smith's *The Wealth of Nations* (1776) provided a charter for 'the market' as the dominant institution of modern societies. The idea of economy, which started out as a principle of rural household management, now became closely identified with markets, as did the profession of economics which grew up to study them.

All the agrarian civilizations of Eurasia tried to keep markets and money in check, since power came from the landed property of an aristocratic military caste who feared that markets might undermine their control over society. The medieval schoolmen expressed this as an opposition between the 'natural economy' of the countryside and the commerce of the city. Earlier Aristotle, tutor to Alexander the Great when the Macedonian cavalry overran the Greek cities, preferred to found society on the self-sufficiency of manorial estates, declaring that markets geared to profit-making were anti-social (Polanyi 1957a). This view of economy prevailed until the dawn of the modern era, when Jane Austen could describe one of her characters as a poor 'economist' for her inability to handle the servants.[1] If Marx and Engels (1848) claimed that the history of class struggle had been between town and countryside, they had this conflict between landed power and urban commerce in mind.

Even in stateless societies, markets were usually kept marginal and subject to regulation by the agents of dominant social institutions. Thus, markets in Africa (Bohannan and Dalton 1962) were traditionally restricted to specific times and places, leaving the bulk of production and consumption to be organized by kinship ties. Colonial demand for export crops and wage labour meant that the market principle became more pervasive, undermining the existing authorities. Why are markets supposed to be subversive of traditional social arrangements? Because commerce knows no bounds -- all markets are in a sense world markets -- and this threatens local systems of control. They offer a potential means of escape to the dominated classes: women, young people, serfs and slaves, ethnic minorities. The power of long-distance merchants often modified the autonomy of local rulers; so that the dialectic of local and global economy defined class struggle long before we came to perceive the modern world in this way. One common ploy whereby traditional societies tackled the problem of the market was to restrict commerce to excluded ethnic groups, ensuring that local citizens had no access to money and that those who did lacked political power.

So Adam Smith knew what he was taking on when he proposed that society had much to gain from markets. He did not endorse the narrow pursuit of self-interest in market transactions; but he found it preferable to indulge this trait *en masse* than to concentrate economic power in the hands of an elite, however high-minded. He stood conventional wisdom on its head by asserting that a 'propensity to truck and barter' was part of human nature and that markets had a better chance

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[1] Her days were spent in a kind of slow bustle; all was busy without getting on, always behindhand and lamenting it, without altering her ways; wishing to be an economist, without contrivance or regularity; dissatisfied with her servants, without skill to make them better, and whether helping, or reprimanding, or indulging them, without any power of engaging their respect (*Mansfield Park*, 1814: chapter 39).

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than any other means of increasing 'the wealth of nations'. He stopped short of claiming that society's interests as a whole were best served by unfettered markets; but these reservations have been largely forgotten since.

The last two centuries have seen a strident debate between capitalist and socialist camps over whether markets are good or bad for society. The latter draw implicitly on the pre-industrial apologists for landed rule. Karl Marx (1867) considered money to be indispensable to any complex economy and was opposed to the state in any form; but many of his socialist and communist followers were much less hostile to the state and, when not trying to outlaw markets and money, aimed to return them to the marginal position they occupied under agrarian civilization. Karl Polanyi has a foot in this camp since he acknowledged Aristotle as his master and considered 'the self-regulating market' to have been the principal cause of the twentieth century's horrors (Polanyi 1944).

Socialism in the tradition of Saint-Simon (1952) acknowledges the social damage done by unfettered markets, but wishes to retain the wealth they produce. Indeed the leading capitalist societies all signed up for Hegel's (1821) idea that states should try to contain the inequality of markets and ameliorate the social misery generated by them. The emphasis has now shifted from reliance on states to markets for managing national economy, replacing social democracy with a confusing mixture of liberalism and state power. The general breakdown of the 30s turned a large number of economists away from celebrating the logic of markets towards contemplating their repair. This 'institutional economics' persists as the notion that markets need self-conscious social intervention, if they are to serve the public interest. Polanyi should probably be placed in this category rather than as a card-carrying anti-marketeer. He did recognize a role for the market as one of several modes of distribution and aligned himself with those who sought institutional means to correct capitalism's ills.

The market's apologists likewise divide between some for whom it is a trans-historical machine for economic improvement best left to itself and others who acknowledge a role for enlightened public management of commerce. Classical liberals promoted markets as a means of greater individual freedom from the arbitrary social inequality of the Old Regime. But the industrial revolution brought about a shift to urban commerce that made vast new populations of wage workers rely on markets for food, housing and the rest of their basic needs. Under these circumstances, society itself seemed to retreat from view, being replaced by an 'economy' characterized this time by market contracts instead of domestic self-sufficiency. Others hold that society's remaining defences are simply too weak to hold out against the rising tide of global money: you can't buck 'the markets'. This notion of markets as a natural force beyond social regulation serves to legitimize wealth and even to make poverty seem deserved.

The founders of modern social theory all considered markets to be progressive in that they broke up the insularity of traditional rural society and brought humanity into wider circles of discourse and interaction. But they differed over what should happen next. Marx and Engels (1848) considered that private money ('capital') was too fragmented to organize the urban societies brought into being by machine production of commodities; so they looked to the large concentrations of workers for a truly collective remedy. Max Weber (1978) recognized that the formal rationality of capitalist bureaucracy often led to a substantive deterioration of livelihood for many. But, as a liberal, he considered wholesale state intervention in markets to be a recipe for economic disaster. Durkheim (1893) and Mauss (1997) were both socialists who emphasized the human interdependence entailed in an expanded social role for markets and money, while rejecting the Social Darwinist claim that capitalism ensures the 'survival of the fittest'.

Polanyi (1944, 1957b) never denied the utility of markets for the allocation of some goods and services. What he condemned was the elevation of the 'self-regulating market' to a position of dominance and the high price the British working classes paid for this. *Laissez-faire* liberalism was not the necessary, 'natural' concomitant of industrialism: the market regime could only emerge and reproduce itself thanks to specific interventions by the state. At the same time, there were counter-movements within society like Chartism, as the victims of the new liberalism sought to defend themselves. This 'double movement' constituted the self-protection of society. Polanyi sometimes

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wrote of the 'disembedding' of economy under *laissez-faire* liberalism; but the market remained thoroughly 'embedded' in two senses: first, in its dependence on the state and second because it was associated with a range of social institutions, including some formed to counter allegedly impersonal and 'natural' market forces. Polanyi's real objection was not to the market as such, but to 'market fundamentalism'.

I find Marcel Mauss's position on markets and money to be more persuasive than Polanyi's as a basis for 'institutionalist political economy' (Hart 2007a). *The Gift* (1925) is an extended commentary on Durkheim's (1893) argument that an advanced division of labour could only be sustained by 'the non-contractual element in the contract', a largely invisible body of state-made law, custom and belief that could not be reduced to abstract market principles. Mauss held that the attempt to create a free market for private contracts is utopian and just as unrealizable as its antithesis, a collective based solely on altruism. Human institutions everywhere are founded on the unity of individual and society, freedom and obligation, self-interest and concern for others. The pure types of selfish and generous economic action obscure the complex interplay between our individuality and belonging in subtle ways to others.

Mauss (1997) was highly critical of the Bolsheviks' destruction of confidence in the expanded sense of sociability that sustained the market economy. In his view, markets and money are human universals whose principal function is the extension of society beyond the local sphere, even if they do not always take the impersonal form we are familiar with. This was why he disputed Malinowski's (1921) assertion that *kula* valuables could not be considered to be money (Mauss 1990: 102n). Mauss advocated an 'economic movement from below', in the form of syndicalism, co-operation and mutual insurance. His greatest hopes were for a consumer democracy driven by the co-operative movement. The true significance for him of finding elements of the archaic gift in contemporary capitalism was to refute the revolutionary eschatology of both right and left. Most of the possibilities for a human economy already co-exist in our world; so the task is to build new combinations with a different emphasis, not to repudiate a caricature of the market in the name of a radical alternative. Here Mauss follows Hegel -- rather than Aristotle, Marx and Polanyi -- in seeking the integration of institutional possibilities that have been variously dominant in history rather than representing them as mutually exclusive historical stages.

When the market is represented in neo-liberal ideology as a force of nature giving expression to individual interests outside society, political opponents are apt to advocate either its abolition or at least closer control by collective interests. But this generates unrealistic and unsustainable programs that reproduce the neo-liberal model by negation. Mauss's approach draws our attention to the institutional complexity of markets, while emphasizing their evolutionary function as means of drawing humanity into society on an ever-widening scale. Markets are thus an essential and dynamic feature of the human economy.

Money in the human economy

By calling the economy 'human' we insist on putting people first, making their thoughts, actions and lives our main concern. Such a focus should also be pragmatic: making economy personally meaningful to students or readers, relating it to ordinary people's practical purposes. 'Humanity' is a moral quality, implying that, if we want to be good, we should treat other persons, people like ourselves, kindly. Since theoretical abstraction is impersonal and leaves no room for morality, a human economy would have to pay attention to the personal realm of experience; but it would be a mistake to leave it there. Humanity is also a collective noun, meaning all the people who have existed or ever will. So the human economy is inclusive in a sense reinforced by our contemporary witness to the formation of world society.

Anthropologists and sociologists have long rejected the impersonal model of money and markets offered by mainstream economics. Viviana Zelizer (1994), for example, shows that people refuse to treat the cash in their possession as an undifferentiated thing, choosing rather to 'earmark' it -- reserving some for food bills, some as holiday savings and so on. Her examples generally come from areas that remain invisible to the economists' gaze, especially domestic life. People everywhere personalize money, bending it to their own purposes through a variety of social

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instruments. This was the message too of *Money and the morality of exchange* (Parry and Bloch 1989). When money and markets are understood exclusively through impersonal models, awareness of this neglected dimension is surely significant. But the economy exists at more inclusive levels than the person, the family or local groups. This is made possible by the impersonality of money and markets, where economists remain largely unchallenged. Mauss's notion of what it means to be human would have us all bridge the gap between everyday personal experience and a society whose wider reaches are impersonal, much as Durkheim (1912) argued religion does.

Money is often portrayed as a lifeless object separated from persons, whereas it is a creation of human beings, imbued with the collective spirit of the living and the dead. Money, as a token of society, must be impersonal in order to connect each individual to the universe of relations to which they belong. But people make everything personal, including their relations with society. This two-sided relationship is universal, but its incidence is highly variable. Money in capitalist societies stands for alienation, detachment, impersonal society, the outside; its origins lie beyond our control (*the market*). Relations marked by the absence of money are the model of personal integration and free association, of what we take to be familiar, the inside (*home*). This institutional dualism, forcing individuals to divide themselves, asks too much of us. People want to integrate division, to make some meaningful connection between their own subjectivity and society as an object. It helps that money, as well as being the means of separating public and domestic life, was always the main bridge between the two. That is why money must be central to any attempt to humanize society. It is both the principal source of our vulnerability in society and the main practical symbol allowing each of us to make an impersonal world meaningful.

Money thus expands the capacity of individuals to stabilize their own personal identity by holding something durable that embodies the desires and wealth of all the other members of society. Money is a 'memory bank' (Hart 2000), a store allowing individuals to keep track of those exchanges they wish to calculate and, beyond that, a source of economic memory for the community. The modern system of money provides people with a wide repertoire of instruments to keep track of their exchanges with the world and to calculate the current balance of their worth in the community. In this sense, one of money's chief functions is *remembering*. If the proliferation of personal credit today could be seen as a step towards greater humanism in economy, this also entails increased dependence on impersonal governments and corporations, on impersonal abstraction of the sort associated with computing operations and on impersonal standards and social guarantees for contractual exchange. If persons are to make a comeback in the post-modern economy, it will be less on a face-to-face basis than as bits on a screen who sometimes materialize as living people in the present. We may become less weighed down by money as an objective force, more open to the idea that it is a way of keeping track of complex social networks that we each generate. Then money could take a variety of forms compatible with both personal agency and human interdependence at every level from the local to the global.

The reality of markets is not just universal abstraction, but this mutual determination of the abstract and the concrete (Hart 2007b). If you have some money, there is almost no limit to what you can do with it, but, as soon as you buy something, the act of payment lends concrete finality to your choice. Money's significance thus lies in the synthesis it promotes of impersonal abstraction and personal meaning, objectification and subjectivity, analytical reason and synthetic narrative. Its social power comes from the fluency of its mediation between infinite potential and finite determination. To turn our backs on markets and money in the name of collective as opposed to individual interests reproduces by negation the bourgeois separation of self and society. It is not enough to emphasize the controls that people already impose on money and exchange as part of their personal practice. That is the everyday world as most of us know it. We also need ways of reaching the parts we don't know, if we wish to avert the ruin they could bring down on us all. As Simmel (1900) pointed out, money is the concrete expression of humanity's potential to make universal society.

Economic history is dialectical. Depending on impersonal and anonymous institutions makes most people feel quite anxious. This is an immense force for reversing the historical pattern of alienation on which the modern economy has been built. How we combine the personal and impersonal

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aspects of economy has much in common with religion. Religion *binds* something inside us to an external force, lending stability to meaningful interaction with the world and providing an anchor for our volatility. What we know intimately is our own everyday life; but this life is subject to larger forces whose origins we do not know – natural disasters, social revolutions and death. We recognize these unknown causes of our fate to be at once individual and collective. Religion is the organized attempt to bridge the gap between the world of ordinary experience and an extraordinary world that lies beyond it; and Durkheim (1912) showed us that what is ultimately unknown to us is our collective being in society. The chaos of everyday life thus attains a measure of order to the extent that it is informed by ideas representing the social facts of a shared existence. Our task today is to assume responsibility for life as a whole on this planet and religion is indispensable to that end. Roy Rappaport, in his monumental *Ritual and religion in the making of humanity* (1999), proposed ecology as a substitute for the false religion of money peddled by the economists. In my view, money could be made to work for common human ends (Hart 2006a).

The idea of economy

The days are long gone when politicians could concern themselves with affairs of state and profess ignorance of the livelihoods of the masses. Hence Bill Clinton's famous memo to himself, 'It's the economy, stupid!' The reason is that voters care more about what affects their own jobs or mortgages than political parties; and that is a force for greater democracy. For millennia, economy was conceived of in domestic terms. Then, when markets, money and machines began their modern rise to social dominance, a new discipline of political economy was born, concerned with the public consequences of economic actions. For over a century now, this discipline has called itself economics and its subject matter has been the economic decisions made by individuals, not in their domestic capacity, but as participants in markets of many kinds. People as such play almost no part in the calculations of economists and they find no particular reflection of themselves in the quantities published by the media.

The last century saw a universal experiment in impersonal society (Hart 2005). Humanity was everywhere organized by remote abstractions – states, capitalist markets, science. For most people it became impossible to make a meaningful connection with these anonymous institutions and this was reflected in disciplines whose structures of thought had no room for human beings in them. Anthropologists aim to produce an understanding of the economy that features people, in two senses. First, we are concerned with what people do and think, both as workers or consumers in economies dominated by large-scale organizations and when left relatively free to be self-organized as farmers, traders, managers of households or givers of gifts. Second, our interest is in the universal history of humanity; and our examples are drawn from all over the world. Somehow we have to find meaningful ways of bridging the gap between the two. Whereas anthropologists once studied stateless peoples for lessons about how to construct better forms of society, scientific ethnographers no longer sought to change a world in which they probably felt as disempowered as most people. Of course, people everywhere continued to express themselves where they could – in domestic life and informal economic practices. But the three most important components of modern economy – people, machines and money – were not properly addressed by the academic discipline devoted to its study. In *Capital*, Marx (1867) expressed humanity's modern estrangement by making abstract value (money) organize production, with the industrial revolution as its instrument and people reduced to the passive anonymity of their labour power. He aimed to reverse this order of priority and so should we.

What might be meant by the term 'economy'? English dictionaries reveal that the word and its derivatives have a number of separate, but overlapping referents:

1. Order, management
2. Efficient conservation of resources
3. Practical affairs
4. Money, wealth
5. The market

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These meanings refer to a wide range of social units. The Greek word *oikonomia* referred to the imposition of order on the practical affairs of a house, usually a manorial estate with its slaves, animals, fields and orchards. Economic theory then aimed at self-sufficiency through careful budgeting and the avoidance of trade, where possible. The market, with its rootless individuals specialized in money-making, was the very antithesis of an economy that aimed to conserve both society and nature. So in origin 'economy' emphasized the first three above while focusing on the house as its location. This ideal persisted in Europe up to the dawn of the modern age. The economy has moved on in the last 2,500 years and especially in the last two centuries. Smith's intellectual revolution switched attention from domestic order to 'political economy' and especially to the functioning of markets. Two things happened next. First, the market was soon dominated by firms commanding massive resources, a system of making money with money eventually named as 'capitalism' by Werner Sombart (1902). Second, states claimed the right to manage money, markets and accumulation in the national interest; and this is why today 'the economy' usually refers to the country we live in.

The question of world economy has encroached on public consciousness of late; and almost any aggregate from associations of states like the European Union to localities, firms and households may be said to have an 'economy'. In the process, 'economy' has come to refer primarily to the money nexus of market exchange, even though we retain the old meaning of making ends meet, of efficient conservation of resources. So the word contains within itself this historical shift. But that isn't all. It is by no means clear whether economy is primarily subjective or objective. Does it refer to an attitude of mind or to something out there? Is it ideal or material? Does it refer to individuals or to collectives? Perhaps all of these -- in which case, we need to explore the links between them. Moreover, if the factory revolution shifted the weight of economy from agriculture to industry, the economy now takes the primary form of electronic bits whizzing around cyberspace. It is still an urgent priority to secure provision of material necessities for the world's poor; but for a growing number of people a focus on economic survival no longer makes sense, even less withdrawal from the market. The confusion at the heart of the concept reflects not only an unfinished history, but also wide differences in contemporary economic experience.

One way of cutting through this confusion would be to retain the original definition of economy while applying it to a world shaped increasingly by markets. 'Economy' means putting one's house in order, both practically and figuratively. Are markets compatible with that notion or should the two be seen as inevitably opposed or at best complementary? In other words, what might the phrase 'market economy' mean, if it is not an oxymoron? This has the advantage of reminding us of the centrality of kinship in society. If coping with the world at large requires each of us to be highly self-reliant, we enter it as members of households and base our most intimate and long-term strategies for life on them. Meyer Fortes (1969), who more than any anthropologist insisted on this fact, preferred to talk about the 'development cycle of domestic groups' (Goody 1958) rather than households or families. But the idea that social structures are reproduced through ordinary human outcomes of birth, copulation and death reinforces a focus on the 'householding' dimension of economic order. Stephen Gudeman (2001, 2008) has developed a powerful case for considering economy everywhere as a dialectic of base (house and by extension community) and market; Richard Wilk (1989) has long made a special study of the role of households in economy; Chris Gregory (2009) has recently explored what happened to householding as a mode of economic integration in Polanyi's later work; and Sandy Robertson (1987, 1991) has long focused on these aspects of social reproduction. So my choice of emphasis is nothing new.

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

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cosmic order (Wood 2002), the cities that grew up in the interstices of feudal society sponsored their own 'bourgeois' phase of economy. Later the nation-state became the main vehicle for economy; and only recently has the world economy become something more than a figure of speech. The dynamic force pushing out the boundaries of society was the market, with warfare and religion also playing their part. There surely has to be more to it than a straight choice between controlling the market in the name of society and conceiving of the market as society's sole means of development. Whereas Polanyi thought that markets could only serve society if subjected to non-market principles, Mauss believed that human aspirations for social justice could best be achieved through self-organized market expansion and not despite it. This philosophical argument is being played out right now in the argument between Clinton and Obama over healthcare in the United States, where the issue is whether or not the state is indispensable to economic democracy.

You may well ask what sort of order 'economy' entails and what its means of social expression are. How, if at all, can keeping a house in order be reconciled with the institutionalization of formal rationality as market economics or state bureaucracy (Weber 1978)? This should be the focus of a whole research programme; but, briefly, the key term is 'form' -- an idea whose origin lies in the mind (Hart 2006b). Form is the rule, the invariant in the variable. It is predictable and easily recognized. That is why idealist philosophers from Plato onwards thought the general idea of something was more real than the thing itself. Words are forms, of course. In his *Science of Logic*, Hegel (1811-1816) showed the error of taking the idea for reality. We all know the word 'house' and might think there is nothing more to owning one than saying 'my house'. But before long the roof will leak, the paint will peel and we are forced to acknowledge that the house is a material process that requires attention. The 'formal sector' is likewise an idea, a collection of people, things and activities; but we should not mistake the category for the reality it identifies. What makes something 'formal' is its conformity with a rule. The idea of an 'informal economy' is entailed by the institutional effort to organize society along formal lines. For most of the twentieth century the dominant forms have been those of bureaucracy, particularly of national bureaucracy, since society has become identified to a large extent with nation-states. This identity may now be weakening in the face of the neo-liberal world economy and the digital revolution in communications. In any case, Kant's dialectic of form and substance is a unity and, as William Blake said before Hegel, "General Forms have their vitality in Particulars, and every Particular is a Man" (*Jerusalem*, 1804). My chief complaint against economics and much else in contemporary social science is not its emphasis on forms of reason, but their detachment from lived social reality.

The 'informal economy' (Hart 2006b) was intended to draw attention to what people were really up to beyond the reach of state regulation; but, as the negation of bureaucracy, it offered no clue to the forms of social life through which they organized these activities. These are legion: kinship, friendship, locality, religion, ethnicity, criminal fraternity, labour unions, savings clubs and creative combinations of any or all of these. What they have in common is the need to stabilize the flux of everyday life in reasonably predictable ways; and the tradition of British social anthropology in its classical phase, drawing on comparative jurisprudence to make fine-grained analyses of customary institutions (Evans-Pritchard 1951), still has a lot to offer in this regard. It is quite a leap to ask how such a particularistic approach might help us all feel more at home in today's world, but since I have made that transition in my own development, it is not impossible. What would it take to impose rational order on world economy? Keynes's example (1936) would suggest that national responses to the last great economic crisis (in a word, redistribution) might be transposed to global conditions today. But this would require a new set of political institutions at the global level. Contemporary environmentalism may contain the seeds of a religious revival that could sweep away the neo-liberal consensus. But if this took the form of repudiating markets and money, the consequences could be even worse.

Economic anthropology

It would be wrong to speak of the relationship between economics and anthropology as a dialogue. Economists in the neoclassical tradition have rarely expressed any interest in anthropology and none at all since their discipline became the dominant ideological and practical arm of global capitalism. Anthropologists, on the other hand, have usually felt obliged to address the perspective

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of mainstream economists, sometimes applying their ideas and methods to exotic societies, more often being critical of the discipline's claim to be universally valid. Since anthropologists have based their intellectual authority on the fieldwork method, discourse in economic anthropology has generally concerned the interpretation of economic ideas in the light of ethnographic findings. Is the economists' aspiration to place human affairs on a rational footing an agenda worthy of anthropologists' participation or just a bad dream? I have already indicated here why economic anthropology might benefit from seeking to integrate house and market, ecology and economy within a humanist vision of our moment in world history. Agreeing on a common label for humanizing study of the economy matters less than identifying clear questions for collaborative inquiry.

With this in mind, we could return to the modern discipline's origin in Immanuel Kant's late work. In publishing his lectures on anthropology, Kant (2006 [1798]) aimed to attract the general public to an independent discipline whose name he more than anyone contributed to academic life. Kant's method was based on empirical observation, but he also sought to provide his students with practical guidance and knowledge of the world as a means of their moral and cultural improvement. It was both an investigation into human nature and, especially, into how to modify it. He intended the *Anthropology* to be 'popular' and of value in later life. Above all, it was to contribute to the progressive political task of uniting world citizens by identifying the source of their 'cosmopolitan bonds'. The book thus moves between mundane illustrations and Kant's most sublime vision, using anecdotes close to home as a bridge to horizon thinking.

Kant concentrated on the pragmatic applications of anthropology -- 'what the human being as a free actor can and should make of himself'. Anthropology for him was the practical arm of moral philosophy. It does not explain the metaphysics of morals, which are categorical and transcendent; but it is indispensable to understanding any interaction involving human agents. It is 'pragmatic' in a number of senses: 'everything that pertains to the practical', popular (as opposed to academic) and moral in that it concerns what people should do, their motives for action. He felt that the main value of his book lay in its systematic organization, so that readers could incorporate their experience into it and develop new themes appropriate to their own lives. Kant is the main source for the notion that society may be as much an expression of individual subjectivity as a collective force out there. In order to understand the world, we must begin not with the empirical existence of objects, but with the reasoning embedded in our experience itself and in all the judgments we have made. The world is inside each of us as much as it is out there. Our task is to unite the two poles as subjective individuals who share the object world with the rest of humanity. Knowledge of society must be personal and moral before drawing on the laws imposed on each of us from above. Kant attempted to address the emergence of world society directly. His notion of anthropology as a form of humanist education contrasts starkly with the emphasis on scientific research in today's universities.

Kant's achievement was soon overthrown by a counter-revolution that identified society with the state. This was launched by Hegel (1821) and it was only truly consummated after the First World War. As a result, the personal was separated from the impersonal, the subject from the object, humanism from science. Twentieth-century society was conceived of as an impersonal mechanism defined by international trade, national bureaucracy and scientific laws understood only by experts. Not surprisingly, most people felt ignorant and impotent in the face of such a society (Hart 2005). The sources of our alienation are commonplace. What interests me is resistance to alienation, whatever form it takes, religious or otherwise. How can we feel at home out there, in the restless turbulence of the modern world? The digital revolution is in part a response to this need. We feel at home in intimate, face-to-face relations; but we must engage in remote, often impersonal transactions at distance. Improvements in telecommunications cannot stop until we can replicate at distance the experience of face-to-face interaction. For the drive to overcome alienation is even more powerful than alienation itself. Social evolution has reached the point of establishing near-universal communications; now we must make world society in the image of our own humanity.

A lot more political education is needed before people can exchange dependence on an impersonal economic system for the capacity to alter their personal relationship to money and markets in

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meaningful ways (Hart 2007b). Economic anthropology should aim to show that the numbers on people's financial statements, bills, receipts, and transaction records constitute a way of summarizing their relations with society at a given time. The next step is to explain where these numbers come from and how they might serve in building a viable personal or household economy. When people are able to take responsibility for their own economic actions, they will understand better the social forces impinging on their lives. Then it will become more obvious how and why ruling institutions need to be reformed for all our sakes. If plastic credit cards could be seen as a step towards greater humanism in economy, this also entails increased dependence on the impersonal organization of governments and corporations, on impersonal abstraction of the sort associated with computing operations and on the need for impersonal standards and social guarantees for contractual exchange. Once we accept that money is a way of keeping track of complex social networks that we each generate, it could take a wide variety of forms compatible with both personal agency and collective forms of association at every level from the local to the global. It is up to us to build them.

'Anthropology' is indispensable to the making of world society in the coming century. It would then mean whatever we need to know about humanity as a whole if we want to build a more equal world. This usage could be embraced by some students of history, sociology, political economy, philosophy and literature, as well as by anthropologists. Many disciplines might contribute without being exclusively devoted to it. The idea of 'development' has played a similar role in the last half-century. It matters less that an academic guild should retain its monopoly of access to knowledge than that 'economic anthropology' should be taken up by a broad intellectual coalition for whom the realization of a new human universal – a world society fit for humanity as a whole -- is a matter of urgent personal concern.

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