

## Towards an alternative economics: the view from France<sup>1</sup>

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The hegemony of free-market economics, usually called ‘neo-liberalism’, has been marked in the last three decades, especially in the Anglophone countries. The USA and Britain have sustained higher growth rates in this period than Germany, France and Japan, for example; and this has underwritten a claim that they have responded more effectively to globalization. Since the millennium, however, it has become apparent that much of this growth is the precarious outcome of credit expansion, lately manifested as a housing bubble whose end has often been forecast without yet having materialized. A rising tide of money in a plethora of derivative forms threatens to overwhelm the central bureaucracies that organized national capitalism in the twentieth century. No-one knows if this represents a new stage in the rationalization of world markets or is taking us all over the edge of a cliff into the next Great Depression.

What is ‘new’ about neo-liberalism? It is a return to market capitalism, this time deploying the resources of powerful states for coercive purposes (wars, prisons etc) and in support of corporate monopolies (Keynesianism for the rich). The result has been a lot more economic inequality at every level of world society, in marked contrast to the welfare-state capitalism that preceded it from the 1940s to the 1970s. The first decade of the twenty-first century has more in common with the gilded age of the 1890s than with any period in between. At the same time, a revolution in transport and communications has led to the globalization of capital in a new sense, with Western production for the world market draining away to the East and South, especially to the BRIC countries.<sup>3</sup> The resulting tensions are always likely to erupt in an escalation of the struggle for control of the Middle East’s oil, now represented as a war against Islamic terrorism. There seems little doubt that the world is fast moving beyond the terms of the settlement of the late

1940s, unleashing political forces that may lead to either a retrenchment or a reversal of neo-liberal hegemony in global economic affairs.

The recent appearance of an updated and expanded *Dictionnaire de l'autre économie* provides ample evidence of a rich alternative tradition whose impact would naturally be enhanced by a major downturn in the Western economies. Designed as a handbook for activists, researchers and students, this Dictionary contains sixty entries of around a dozen pages each in a thick pocket edition retailing for under 11 euros. The majority of the titles have direct equivalents in English, but some are typically French and less readily translatable. Table 1 below lists them all, grouped under these two loose headings.

[Insert table 1 overleaf]

Many of these entries are already familiar as stand-alone concepts: civil society, fair trade, informal economy, micro-credit, social capital, third sector, welfare state etc. We are used to debating their merits separately. The popularity of individual terms rises and falls in an intellectual market where the academy and bureaucracy meet. What is truly distinctive about this collection is that it forces us to examine the set of words describing all the forms that economy takes outside the box defined by free-market economics. There is a language here whose structure can only be understood by examining the relations between the signs and their referents as a whole. Moreover, the majority of these words have global currency, even though a core of them is distinctively French. It is just as interesting to consider what is missing from the list: the co-operative and open source software movements, for example. This too reveals something about the world in which we live and how we go about trying to change it. Above all, this Dictionary invites those of us who are not satisfied with current economic practice (which would probably include most anthropologists) to convert piece-meal initiatives into a more systematic approach, drawing on rich precedents.

The editors justify their enterprise by the sheer scope of contemporary economic problems. International capital markets are out of control and wreak havoc on working lives everywhere. While a few enjoy unimaginable riches, half of humanity disposes of less than \$2 a day. Life on the planet as a whole is at risk. Echoing Polanyi (1944), they attribute these ills to the 'disembedding' of the market, a reprise of that nineteenth-

Table 1 Entries for *Dictionnaire de l'autre économie* (2006)

English Equivalents	French Terms
Alternative economics Civil society Community currencies Corporate social responsibility Culture Economic sociology Ethical economics Fair trade Gift Global public goods Informal economy International organizations Labour economics Local development Micro-credit Moral economy Non-market economy Non-monetary economy Participatory socialism Popular economy Popular participation Public sector Public space Reciprocity Resources Rights Self-organization Social capital Social change Social economy Social movements Social welfare Sustainable development Third sector Utopia Wealth Welfare state	L'autre économie Altermondialisation Anti-utilitarisme Associationnisme Bioéconomie Consommation solidaire Décroissance Économie des conventions Économie plurielle Économie de la régulation Économie solidaire Émancipation sociale Entreprise sociale Évaluation démocratique Femmes et économie solidaire Finance solidaire Gestion sociale Marché solidaire Services de proximité Socio-économie du travail Solidarité Travail émancipé Utilité sociale

century transformation whose dénouement was the global catastrophe of 1914-1945. They refer this development, not to Marx but to Weber's (1978) account of the rise of formal rationality, this time drawing on Callon's (1998) argument that the market economy is shaped by -- and not just reflected in -- economics as ideology. Like Polanyi, they insist that the antidote can only be a return to a substantive or material emphasis in economy. But this needs its own intellectual apparatus, granting greater centrality to concepts and approaches that have been marginalized in contemporary society. The entries they have chosen are partly established practices governed by logics other than those of commerce and capital accumulation; partly theoretical concepts drawn from alternative economics; and partly synthetic approaches to economy whose emergence is quite recent. They have also included some ideas – such as culture, sustainable development and wealth – whose contemplation should inform the larger debate concerning the future direction of economy.

The Dictionary's authors, four-fifths of whom are French, naturally privilege the literature in their own language; but most refer to the leading sources for their topic available in English. It is impossible to review the contents in detail, but I would pick one entry by Jean-Louis Laville to indicate the volume's general excellence. Under the heading of *économie plurielle*, Laville revisits an old theme in economic anthropology, the formalist-substantivist debate, but with a much surer grasp of its place in intellectual and political history than we are used to. He derives Polanyi's famous dual definition of economy in *Trade and Market in the Early Empires* (1957) from the Austrian economist, Carl Menger; moves on to the former's 'double movement' of social reactions to the self-regulating market, as outlined in *The Great Transformation* (1944) and introduced to French readers by Dumont (1983); shows the relevance of Marx and Weber to Polanyi's argument; and finally links this to Mauss's position in *The Gift* (1925) and in his substantial political writings (1997), which are largely unknown to the Anglophone world. The significance of the formal/substantive distinction is to point to plural as opposed to monolithic institutional approaches to economic democracy. In this way, the old debate between reformist and radical approaches to the economy is engaged once more in contemporary terms.

If our collective aspirations for a better world lead us inevitably to a search for new human universals, it is equally true that this search can only be carried out by people who reflect the distinctive features of the particular societies they come from. The two nations that have consistently held to an independent path in the present wave of globalization, building on their own state apparatuses and longstanding cultural achievements, are the Chinese and the French. Their relationship to the world economy is strikingly divergent at present, one being in the ascendant, the other apparently in decline. But they have in common a determination to bring to capitalist economy something quite unlike the free market model. French thinkers have made a consistently strong contribution to modern ideas, but these have largely by-passed economics. The French ‘social model’ of economy, with its roots in the Durkheimian school of sociology, has been dismissed by Anglophone economists as an antiquated relic. French insistence on the importance of *terroir*, on the unique properties of the products of specific locations, might have tourist appeal, but it seems to be an inadequate economic response to globalization. Yet this volume raises another possibility: that, whether neo-liberalism is undermined by historical events or remains undisturbed in its hegemony, French intellectuals are likely to lead any movement to construct a viable alternative to mainstream economics.

There are four entries here under the rubric of *économie solidaire*, two of them dealing specifically with women. This is in some ways the core concept holding the Dictionary together and it is the special province of Jean-Louis Laville. The idea of ‘solidarity’ is common to French and English, with its connotations of class sympathy and concerted action. But the term goes much deeper in the French tradition, evoking Durkheim’s (1893) two types of social cohesion, a long history of democratic engagement and the expectation of material support. This is where the co-operative movement can be found in the present volume, linked to a wide variety of producer and consumer initiatives. There is a stronger sense of the public sphere in France, a proclivity for street demonstrations and popular identification with strike action by public-sector workers, even when people are inconvenienced by them. There is little evidence of French fatalism in the face of the relentless march of economic individualism. All of this

lends to many of the positions taken here the weight of being grounded in an active social tradition.

The specific trajectory of modern French history is reflected also in the place occupied by economics in the country's academic division of labour. French capitalism is a going concern and orthodox economics is prominent in the syllabuses of higher education there. But there is nothing like the deference to economists that is normal in the Anglophone countries. French intellectuals are proud of their heritage as the culture that gave the word 'society' to the modern world. It is commonplace for the 'free market' and 'globalization' to be perceived as an English or, nowadays, an American conspiracy for world domination. It should not have been surprising, therefore -- but it was -- to find in a recent French conference on the relationship between anthropology, sociology and economics<sup>4</sup> not only a constructive interdisciplinary dialogue, but a merger of perspectives so complete that it was often difficult to tell a speaker's professional affiliation from their attitude, style or the range of their references. It is this openness to a common intellectual discourse drawing on several disciplines that marks the Dictionary reviewed here.

Since the millennium, cracks have appeared in the edifice of the economics profession itself. A movement going by the name of 'post-autistic economics'<sup>5</sup> was launched by students at elite schools in Paris, Cambridge and the USA, demanding a plural economics taught with more regard for the real world and less for mathematical abstraction. Previously, when students complained about being taught a version of economics with scant relevance to contemporary economic conditions, their teachers could scoff that they were just afraid of the maths. The high-flying entrants to the *École Normale Supérieure*, who pioneered the movement they called *autisme économie*, could not be dismissed in this way; nor could the students at Cambridge, Columbia and Berkeley. It could be that we are approaching a major paradigm shift in economics and, if so, one of its prime sources is likely to be France.

Anthropologists have long aspired to influence mainstream economics (Hann and Hart forthcoming). At first, Firth (1939) and Herskovits (1940) made an unrequited bid for economists to pay attention to the findings of scientific ethnography. Then, accepting a division of labour that left industrial societies the exclusive preserve of economists, the

economic anthropologists disputed whether or not to use analogous methods in studying the rest (Leclair and Schneider 1968). The age of neo-liberal globalization has at last seen anthropologists engaging with capitalism at the core (Applbaum 2003, Maurer 2006), while the economists remain supremely indifferent to our efforts. Perhaps it is now time to abandon this one-sided affair and seek out allies who might help us build a systematic alternative to understanding contemporary economy at all levels from the local to the global. This would entail anthropologists making common cause with the historians, economic sociologists, political scientists, alternative economists and anyone else who has a truer economic democracy in mind.

Laville and Cattani's *Dictionnaire de l'autre économie* sets a fine example for such a task. Clearly Karl Polanyi's stock has never been higher as an avatar of this revival. But I would conclude by nominating Marcel Mauss as its most plausible inspiration – not the fictional Mauss of late twentieth-century academic mythology who allegedly opposed gift-exchange to the market (Sigaud 2002), but the historical Mauss whose extensive political writings in the 1920s (Mauss 1997) culminated in his blueprint for a new method of studying 'total social facts', *The Gift* (Hart 2007). The Durkheimians pioneered a social alternative to English economics (Steiner 2005); our task is to renew that intellectual tradition under today's circumstances. As a pivotal figure in the history of both sociology and anthropology, Mauss is our most appropriate guide.

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<sup>1</sup> Review of Jean-Louis Laville and Antonio David Cattani (Editors) *Dictionnaire de l'autre économie*. Paris: Gallimard, paper, 720 pp, €11.

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<sup>3</sup> Brazil, India, China and Russia: the term was coined by Goldman Sachs in 2003. To these I would add South Africa as the rising economic power in its continental region.

<sup>4</sup> 'Anthropologists and economists in the face of globalization', *CLERSE* and *IRD*, Lille, 16-17 March 2006.

<sup>5</sup> Motto: 'sanity, humanity, science'; see [www.paecon.net](http://www.paecon.net).