

Economy within Culture: Introduction

A primary mark of classical and neo-classical theories of economy is their methodological abstraction of the fundamental forces of economy – namely, supply and demand – from the cultures in which they are embedded. The “market” of which economists speak, and wherein prices achieve equilibrium, is no marketplace: that is, it exists nowhere and everywhere as a Platonic form. It knows no history or culture. How the real production and distribution of goods and services and how people’s desires for those goods and services – what economists term “consumer demand” – are shaped and directed by cultural traditions and institutions – by family structures, religious and artistic traditions, educational patterns, political structures – are all put aside. Such an abstraction is a primary target of both Marxist and Institutionalist critics. Nobel Laureate and “new institutional economist” Ronald Coase offered the following analogy: the effort to study and understand economic behavior without any reference to the larger cultures in which producers and consumers live and act is like attempting to study and understand the human circulatory system without any reference to the human body.

The effect of such a methodological abstraction is that the assessment of economies and economic policies is reduced to considerations of the aggregate satisfactions, or “utility”, of atomistic individuals: the effects upon interpersonal relations, as embodied in cultural practices and institutions, is not necessarily considered but only if individuals choose to take them into consideration. Thus, the short-term satisfaction of personal utility might well come at the price of undermining those cooperative social relations upon which long-term economic production depends.

This failure to consider economic activities as entwined in larger cultural practices and embedded in cultural institutions, though, is only the start of another, perhaps more disturbing development: the treatment of economy not as but one aspect of culture but as though it were itself the larger cultural context of which all other aspects of culture are treated as merely aspects. Economic anthropologist Karl Polanyi observed this trend, as Wolfgang Fellner notes in his article here. Economist Thorstein Veblen already identified the growing pressure on educational institutions to see themselves simply as extensions of the economy, providing human resources

to meet the demands of industrial production.¹ Similarly art works are often viewed simply as commodities and investments, rather than as embodying spiritual and aesthetic values of their own.

Another, especially disturbing example of the reign of economics over other cultural institutions is illustrated by the work of Nobel Prize-winning economist Gary Becker, *Treatise on the Family*,² in which he views families as small factories, producing meals, health, skills, children, and self-esteem. Indeed, a striking feature of modern Western societies is the reversal of the traditional relationship between families and economies. Traditionally production and distribution of goods and services were organized in service to families, as seen already in the ancient notion of *oikonomia*, namely, management or care of the household. In the modern West, especially the United States, by contrast, families adjust themselves – move, reorganize and schedule themselves – in order to accommodate the demands of “the market”.

Such a “transvaluation of values” (borrowing the term from Nietzsche) within the “ethos of industrialism”, whereby all cultural values are reduced to those of economic utility, was the central point of Max Scheler’s classic work *Ressentiment*,³ and British economist Ernst Friedrich Schumacher put the matter this way:

In the current vocabulary of condemnation there are few words as final and conclusive as the word “uneconomic.” If an activity has been branded as uneconomic, its right to existence is not merely questioned but energetically denied. Anything that is found to be an impediment to economic growth is a shameful thing, and if people cling to it, they are thought of as either saboteurs or fools. Call a thing immoral or ugly, soul-destroying or a degradation of man, a peril to the peace of the world or to the well-being of future generations; as long as you not shown it to be “uneconomic” you have not really questioned its right to exist, grow, and prosper.⁴

While mainstream, neoliberal economic theory assumes atomistic, self-interested individuals living outside of cultural traditions and institutions, each of the five articles devoted to the theme of this second issue of *Eidos*, “Economy within Culture”, demonstrates how economic life is always embedded in a larger set of cultural practices, traditions, and institutions, which shape, guide and direct production and consumption, and each describes some of the consequences, largely negative, of mainstream economics’ abstraction of economic life from its cultural contexts. Alice Nicole Sindzingre does this through her analysis specifically of gift economies, wherein production and distribution of goods and services are situated in and motivated by a cultural ethos, or spirit, of generosity and desire to share. Michal Kozłowski and Graham Harman both draw from the work of Karl Marx, perhaps the first economic theorist – long before Polanyi – to describe and to criticize the tendency among economists of his day to abstract economic life from its history of cultural practices and institutions. Kozłowski draws specifically from Marx’s analysis of “capital” and offers it as a primary example of a central notion within capitalism that classical and neoclassical economic models strip of all historical, cultural context, thereby concealing the exploitative social conditions whereby capital is produced and workers’ lives are commodified. Next, Harman also utilizes Marx, specifically his understanding of “exchange value”, to show how the meaning and value of objects generally, but especially of commodities, exist solely in social relations.

1) Thorstein Veblen, “The Higher Learning as an Expression of the Pecuniary Culture,” in *The Theory of the Leisure Class* (1899; New York: New American Library, 1953), 235–258, and *The Higher Learning in America: A Memorandum on the Conduct of Universities by Business Men* (New York: B.W. Huebsch, 1918).

2) Gary S. Becker, *Treatise on the Family*, 2nd ed. (Cambridge, MA: Harvard University Press, 1993).

3) Max Scheler, *Ressentiment*, ed. Lewis Coser, trans. William W. Holdheim (New York: Free Press of Glencoe, 1961).

4) E. F. Schumacher, *Small Is Beautiful: Economics as if People Mattered* (New York: Harper & Row, 1989), 44.

Wolfgang Fellner shows how the experience of time is embedded in the flow and rhythm of specific cultures, and the commodification of time, whereby it is transformed into uniform, marketable units, severely disrupts that flow and rhythm. Lastly, my own essay argues the need to connect more closely mainstream economic concepts of “growth”, “development”, and “well-being” with human growth, development, and well-being, but while mainstream economics assumes some universal, transcultural understanding and measurement of such terms in its notion of “*homo economicus*”, I suggest, along with Amartya Sen, that such notions must be culturally defined.

Our “Forum” consists of articles by Michael Inwood and Steve Klee. The former critically examines Alexandre Kojève’s arguments, by contrast to Hegel, that freedom, individuality, and historicity are grounded in death. The latter critically examines *yellowbluepink* by Ann Veronica Janssens, a recent example of a science-art collaborative, hybrid project that combines scientific ideas and contemporary art.

We would also like to draw a special attention of our readers to the section “Discussion Papers & Book Reviews” of this issue. In this section we present an interview with Michael Inwood devoted to his new translation of Hegel’s *Phenomenology of Spirit* (to be published in March 2018). The interview is supplemented by a short dictionary of the key concepts of Hegel’s work in Inwood’s new translation.