Introduction

Money in a Human Economy

KEITH HART

This book is the third in a series of volumes (Hart and Sharp 2014; Hart 2015) exploring the idea of a human economy as a way of thinking about a better world. These first two chapters explore the tension between money as a human universal and its historical manifestation as capitalism. Inevitably, conceiving of money in abstract and general terms lends a more benign perspective to it, whereas capitalism offers a more divisive and critical perspective. Our aim is not to choose one over the other—a move that is commonplace in ideological conceptions of money—but rather to keep a dialectical focus on both poles, to keep two ideas in our head at once. For if any topic resists reductive treatment, money's essence lies in movement between the extremes that constitute its character.

We tend to think of money as one thing, akin to the national monopoly currency we are familiar with. It is the same with theories of money. Most people stick with their favorite, to the exclusion of all others. But this monolithic assumption concerning money is losing its power in our time. Singular conceptions of money are giving way to plural versions not just of money but of the kinds of society that it supports. This raises the question of how our various concrete examples relate to "money," whatever that may be.

We could make of money an analytical construct with some pretension to being money—debt, for example. But then money as the object of our common inquiries would be lost. Once we accept that many thousands of social things can be money, the pursuit of a solid middle ground becomes increasingly implausible. We must admit therefore that each case bites off a chunk of money that combines general and particular dimensions of the enquiry that we share. We must then add the historical complexity of modern money, which is global in scope and goes by the name of capitalism. Finally, as our title indicates, we do have an analytical take on money—its place in something we call "a human economy." This is what readers will get from this book: a wide-ranging and open-ended set of particular inquiries into money as a feature of the human economy. It doesn't get more specific than that.

Money is, with language, one of humanity's two great means of communication. Take a look again at the preceding paragraphs and substitute "language" for every incidence of "money." The presumption of unity in the case of money is replaced by one of diversity. This is our method. We take something assumed to be generically the same and explore its diversity.

For many, the idea of money in a human economy makes no sense, for what could be more inhuman than money? On the whole, money gets a bad press. Why? For thousands of years property in money fought property in land, and most often the latter was politically dominant (Hann and Hart 2011; Hart and Sharp 2014). Markets and money were denigrated as antisocial elements in economic texts written by supporters of the military-agrarian complex. The poor have had little love for the rich through the ages and several world religions make a point of stressing this. The idea has entered the modern era in the form of socialist or communist thinking, most strikingly in the Soviet anti-market economy inaugurated by the Bolshevik revolution and later by Mao's Cultural Revolution. There have also been countless utopian experiments that were aimed at making money marginal to their societies. Intellectuals habitually join this chorus, as they have little money and resent having less public influence than those who do have it. The popular saying "money is the root of all evil" has deep cultural resonance, both ancient and modern. Finally—and less pejoratively—money was an impersonal instrument and therefore, in a way, inhuman. It had to be impersonal in order to reach people faraway whom the sender didn't know and so it stood for the opposite of humanity, even as it served wider human purposes.

In order to identify money's human side, we must decide what an "economy" is. Is it a species of rationalism, as the economists claim, or a social object as featured nightly on the national news? It is both, a subject-object relationship that takes the form of a strategy meant to guide the behavior of a class opposed to other classes. Thus the Greek military aristocracy fought the great trading cities in the name of *oikonomia*—economy as household management. Political economy, the opposite of its ancient domestic rival, argued that economic growth required the diversion of funds from land rents to commercial profit. National economy and urban economy unified classes against "the world." The recent idea of "world economy," however, has so far disguised highly unequal interests, mainly European and North American to date. Humanity's task in the twenty-first century is to make a more equal version, but its contours are still vague.

The principles of an economy, conceived of as a specific strategy, must be discovered, articulated, and disseminated. To be useful, an economy should be based on general principles that guide what people do. It is not just an ideology or a call for realism. The social and technical conditions of our era—urbanization, fast transport, and universal media—must underpin any inquiry into the principles of human economy. We do not assume that people know best, although they usually know their own interests better than those who presume to speak for them.

In origin, "economy" privileged budgeting for domestic self-sufficiency; "urban economy" represented the collective interests of a city's population; "political economy" promoted capitalist markets over military landlordism; "national economy" sought to equalize the chances of a citizen body. Perhaps "human economy" could be a way of envisaging the next stage, linking unique human beings to humanity as a whole by articulating a sequence of social extension, involving its principal predecessors, "house-city-market-nation-world."

So a human economy is, lest we forget, an economy. But what makes it human? First, it engages with human beings in their everyday lives. As such it feeds off the ethnographic impulse to join people where they live in order to find out what they do, think, and want. Everyday life consists of many small-scale activities, a plethora of economic enterprises and institutions. Economic analysis, moreover, should aim to reach people in ways that make sense to them.

All of this is consistent with a humanist view of the economy. It must be so, if the economy is to be returned from remote experts to the people who are most affected by it. But humanism by itself is not enough. To be human also involves participating in the widest circles of humanity, in world society. So a human economy must seek to build bridges between different levels of association. This is a process of extension and it is closely linked to markets and money, which are an intrinsic part of the human economy. The social dimension of human economy therefore lies not in local and global spheres considered separately, but in movement between them. It must be informed by an economic vision capable of bridging the gap between everyday life (what people know) and humanity's common predicament, which is inevitably impersonal and lies beyond the actor's point of view (what they don't know).

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. We urgently need to make a world where all people can live together. Small may be beautiful and a preference for initiatives grounded in local social realities is essential, but large-scale bureaucracies are also necessary if economic democracy is to embrace the movement of the world we live in.

Since 1800, energy production has grown at twice the rate of the population. Many people now live longer, work less, and spend more than they did before. But the distribution of this extra energy has been grossly unequal. A third of humanity still works in the fields with their hands. Americans each consume four hundred times more energy than Ugandans. This hectic dash of humanity from the village to the city is assumed to be driven by an engine of economic growth and inequality known as "capitalism." But several social forms have emerged to organize the process on a large scale: empires, nation-states, cities, corporations, regional federations, international organizations, capitalist markets. We need more effective social coordination at the global level and the drive toward local self-organization is strong everywhere. Progressives denigrate the dominant bureaucratic institutions while tending to promote small-scale self-organized groups and networks. Yet no future society could dispense with the principal forms that have brought us to this point. So we need to work out how states, cities, and big money might be selectively combined with citizens' initiatives to promote more democratic societies at every level. A first step would be to stop viewing the economy exclusively in national terms.

Many progressives, not to mention more radical groups, would not consider working with states and firms. Yet the French revolution was backed by the slaving shippers of Nantes and Bordeaux, the Italian revolution by the industrialists of Milan and Turin. You need a lot of money to raise an army and rich backers whose interests coincide with the revolution are hard to find. Kenya's world-leading experiment in mobile money, M-Pesa, was launched by a subsidiary of Vodacom. Hewlett-Packard has developed research stations in outlying areas to make computers accessible to the world's "poorest four billion." The notion of a "popular economy" has emerged in Latin America since the 1990s, bringing new coalitions (peasants, urban informal workers, unions) into an alliance with progressive governments. Brazil under Lula introduced a community banking system combining microfinance and complementary currencies. The government of Uruguay sponsored a "3C" alternative circuit for SMEs based on unpaid invoices as currency. South Africa is speeding up SMEs' access to liquidity through a Validation Clearing Bureau.

This dialectic of small-scale humanism and large-scale institutions is central to any version of human economy with a constructive purpose.

Given our preference to anchor economic strategies in people's everyday lives, aspirations, and local circumstances, the focus must be on extension from the local toward the global. We can't arrive instantly at a view of the whole, but we can engage more with less familiar worlds. Humanity has developed three preeminent means of moving continuously between extremes of scale and register: music, math, and money. Money and markets are intrinsic to our human potential, not antihuman. Of course they should take forms that are more conducive to economic democracy. It helps to recognize that they span the extremes of human existence: they link us to the universe of our social relations and give precise definition to our most intimate circumstances. As Simmel (1978 [1900]) suggested, money reflects our human potential to make universal society.

What then is money? It is a universal measure of value, but its specific form is not yet as universal as the method humanity has devised to measure time around the world. It is purchasing power, a means of buying and selling in markets. It counts wealth and status. It is a store of memory linking individuals to their various communities, a kind of memory bank (Hart 2000) and thus a source of identity. As a symbolic medium, it conveys information through a system of signs that relies more on numbers than words. A lot more circulates with money than the goods and services it buys.

Huon Wardle has this to say about "drop pan," a Jamaican numbers game played daily for money:

> Under modern conditions, Simmel (1900) argues, money becomes the most objective gauge of human relationships; and control over money is the chief marker of the self's ability to validate its existence in a shared social framework of space and time. . . . To play drop pan is to search for signs which connect the immediate and utterly contingent elements of Creole experience within an ordering of meaning which, nonetheless, is itself gauged against the shifting evaluations of money as a social principle. Lévi-Strauss describes totemism as a concrete vehicle for understanding abstract relational systems. Simmel's analysis of money reverses this. Money is a (relative) abstraction, which works because it is able to encompass concrete human connections. Drop pan is a game of concrete symbols played against the abstract master index, money. (2005: 88–89).

Money—the main device in capitalist societies for making social relations objective—is at the same time a benchmark for concrete narratives of subjective attachment. That is why, in far-reaching conflicts like divorce, the argument often focuses on money as a proxy for personal pain. Money's power lies in this synthesis of impersonal abstraction and personal meaning, objectification and subjectivity, analytical reason and synthetic narrative. It comes from the fluency of its mediation between infinite potential and finite determination. Money has some of the qualities of religion in this regard, the aspiration and ability to link inner subjectivity to the object world that we all share (but would like to establish a meaningful connection with). Once we are open to the possibility, we will discover a number of money's redemptive features, while recognizing that none of them is more intrinsic to money in isolation than its characterization as "the root of all evil."

Finally, the human economy idea clarifies a vexatious political issue of our times. Ronald Coase (1937) asked why, if markets are efficient, any self-employed person would choose to work in a collective rather than outsource what they can't do themselves. Oliver Williamson (1996) takes what is internal and external to the firm to be entirely flexible and extends this idea to relations between corporations and governments. The Fordist phase of internalizing transaction costs is over, not least because the digital revolution has cheapened the cost of transferring information reliably. This does not mean that corporations have ceased to be large and powerful. Of the one hundred largest economic entities on earth, two-thirds are corporations and one-third are governments, half each if national economies are included. All but one of the top 150 firms are financial. Moreover, we are witnessing a drive for corporate political independence that would leave the corporations as the only citizens in a world society made to suit their interests. This is the logical conclusion of the collapse of the difference between real and artificial persons in law, granting business corporations the legal standing of individual citizens (Hart 2005). Thomas Jefferson identified commercial monopolies ("pseudo-aristocrats") as a powerful threat to democracy—mere human beings cannot compete with organizations of their size, wealth, reach and longevity.

Coase and Williamson imagine a world where companies control the marketing of their brand, outsource production, logistics, and much else, and internalize government. Why rely on nation-states for conflict resolution? After all, corporations also have to handle conflicts internally. Why have more state-made and international laws, when what the world needs most is moral law? Corporate Social Responsibility (Salmon 2010) is a major field for negotiating changes in the relationship between firms and society. What kinds of political mobilization could challenge the power of corporations at every level from the local to the global?

The human economy idea may have its origins in small-scale informal activities and a humanist ideology, but effective resistance to a corporate takeover will require selective alliances between self-organized initiatives on the ground and large-scale public and private bureaucracies. It will also require the development of global social networks. There are powerful anti-humanist forces in the world we share. So we must build bridges between local actors and the new human universal, world society. To be human is to depend on and make sense of impersonal social conditions in order to act effectively. Individual rational choice does not come close to approximating this situation.

Human beings need to feel "at home in the world." The twentieth century opposed state and market as two principles that came into ruinous conflict, whereas they are indispensable to each other, even if they leave out people much of the time. "Society" bridges these extremes and, following Marx, people, machines, and money matter most in our societies, even if the order of their priority is the opposite of what is desirable. Money buys the machines that control people's access to work. Humanity's task is to reverse that order.

Money in Society

At the University of Pretoria we have organized a research team to develop a "human economy" approach to development (Hart et al. 2010; Hart and Sharp 2014; Hart 2015). As we have seen, this starts from an ethnographic approach that addresses the variety of particular institutions through which most people experience economic life. We aim to promote economic democracy by helping people to organize and improve their own lives. Our findings must therefore be presented to the public in a spirit of pragmatism and made understandable for readers' own practical use. The human economy must also be informed by a vision capable of bridging the gap between everyday life and our common predicament. For this purpose a variety of methods might be drawn from philosophy, world history, literature, and grand social theory. Initiatives grounded in local social realities are unchallengeable, but large-scale bureaucracies are also essential if we are to embrace the movement of the world we live in.

In defending ourselves from corporate domination, we need to be very sure that we are human and they are not. The drive for economic democracy will not be won until that confusion has been cleared up.

Money, much as Durkheim (1912) argued for religion, is the principal means for us all to bridge the gap between everyday personal experience and a society whose wider reaches are impersonal. It 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 individuals to the universe of relations to which they belong. But people make everything personal, including their relations with society. This two-sided relationship is universal, but its incidence is highly variable (Hart 2007). 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). People want to integrate division, to make some meaningful connection between their own subjectivity and society as an object. It helps that money, as well as being the means of separating public and domestic life, was always the main bridge between the two. That is why money must be central to any attempt to humanize society. It is both the principal source of our vulnerability in society and the main practical symbol allowing each of us to make an impersonal world meaningful.

The reality of markets is therefore not just universal abstraction, but this mutual determination of the abstract and the concrete. If you have some money, there is almost no limit to what you can do with it, but, as soon as you buy something, the act of payment lends concrete finality to your choice. Money's social power comes from the fluency of its mediation between these extremes. To turn our backs on markets and money in the name of collective rather than individual interests reproduces the bourgeois separation of self and society. It is not enough to emphasize the controls that people already impose on money and exchange in their personal practice (Parry and Bloch 1989; Zelizer 1994). That is the everyday world as most of us know it. We also need ways of reaching parts of the macro-economy that we don't know, if we wish to avert the ruin it could bring down on us all.

It is, however, no longer obvious, as it was for Mauss, Polanyi, and Keynes, where the levers of democratic power are located, since the global explosion of money, markets, and telecommunications has severely exposed the limitations of national frameworks of economic management. Before long, a genuine revival of Keynesian redistributive politics is inevitable. But the imbalances of the money system are global.

Money opens up local societies to interdependence with foreigners, but the pressure to reassert local control persists. Hence the internal and external dimensions of economy are often in conflict. National capitalism turned away from the world in an era of war and disruption of trade into an aspiration to self-sufficiency whose symbol was national currency (Hart and Padayachee 2013). On a much smaller scale, community currencies of the LETS type (Blanc 2010) reject money's capacity to link us to universal society in favor of local restrictions on exchange. Even Simmel believed that the dematerialization of money would reveal to us our dependence on society. Yet the economy is global and lawless, while national capitalism is on the slide.

Neoliberal privatization and the invasion of money into public and domestic life continue unabated (Maurer, this volume). The penetration of finance into everyday reproduction poses problems that should be addressed through developing alternative approaches to money, not by denying its central role in the organization of complex societies (Singh and Pedersen, this volume). The attempt to separate spheres of paid and unpaid labor ("the market" vs. "home") was always utopian and is in any case negated by money's indispensability to both.

Money is a great equalizer, but it also fuels inequality. This is related to its ability to mediate the extremes of human experience. Money as memory links individuals and their community; past, present, and future; fact and fiction; local and global (Hart 2000). Indeed, the word "money" comes from the Roman goddess of memory and the mother of the muses, who were custodians of the arts and sciences of civilization. We must resist the temptation to perch on one pole of these paired categories, learning rather how to think dialectically through them and to work out practical ways of combining them socially.

The two great memory banks are language and money. Humanists have paid much attention to the first, which divides us more than it brings us together, but not to money where the potential for universal communication is less ambiguous, in addition to its well-advertised ability to symbolize differences between us. Exchange of meanings through language and exchange of commodities through money are now converging in a single network of communication, the Internet (Hart 2000). We must learn how to use this digital revolution to advance the human conversation about a better world. Our political task is to make a world society fit for all humanity. Money is how we learn to be truly human.

The extension of society to a more inclusive level has some positive features and, before we demonize money and markets, we should try to turn them to institutional ends that benefit us all. More effective regulatory frameworks need new principles of political association. This means addressing squarely the combinations of money, machines, and people emerging today. For this, however, we need to be weaned from old social structures and habits of mind that have not yet been destroyed, as they would be by a general war of the sort that has accompanied all the major revolutions of modern history.

Money in This Collection

The Cold War pushed the opposition between states and markets to the edge of nuclear annihilation, yet the coin's two sides demonstrate their interdependence, in money at least (Hart 1986). Even so, state and commodity theories of money are both impersonal. We have seen, however, that human beings habitually bring a personal dimension to their engagement with society, however remote and impersonal it may be (Neiburg and Saiag, this volume). Moreover, despite the common belief that we are oppressed by money's impersonality, money mediates the poles of our existence, offering a means of communication between them. The human economy approach suggests one way that money might provide a synthesis of our existential divisions, between self and world. That is its institutional capacity to serve the interests of people rather than just impersonal states and markets, to help and not hinder our attempts to build bridges between personal experience and the implacable forces of the wider society.

This book explores "money in a human economy" in thirteen chapters, most of them based on invited contributions to a conference, "Money in the Making of World Society," held at the University of Pretoria.[1] Their range is very wide, reflecting the human economy approach's double roots in anthropology and an interdisciplinary approach to development. The authors assembled here include six anthropologists, two sociologists, two economic historians, two heterodox economists, and one independent scholar. Their professional status ranges from distinguished, middle-rank, and starting professors to postdoctoral researchers, a graduate student, and no academic status at all. The countries they are from and/or study include Lesotho, Zimbabwe, India, China, Argentina, Haiti, El Salvador, Brazil, Israel, Australia, Britain, France, and the United States. Half the chapters attempt global comparison; while the rest focus on one country each, within a context of wider history to a varying degree.

Obviously this collection is not a coordinated exercise pursuing a shared analytical agenda, even less a particular paradigm, whether familiar or new. Some readers may feel, given the subject matter—gender, post-colonialism, and finance, for example—that we have neglected important bodies of literature. Moreover, there is a definite bias toward "Dead White European Males" (DWEMs), a bias that marked my book on money (Hart 2000). I felt then and now that the classical canon offers rich material for exploring issues like the human economy, money, and the Internet. The authors most cited for that book were Locke, Marx, Keynes, Weber, and Mauss. Later perhaps we can narrow down the focus and bring it up to date; but for now we do not apologize for the idiosyncratic mélange of case studies, each in its own way exploring the relationship between money and human economy.

The text is divided into four parts. Part 1 introduces money as a central feature of the human economy, followed by an overview of money in its historical form as capitalism. Why should we consider our time to be a decisive moment in the history of money? Part 2 takes as its theme "thinking about money." Jane Guyer's chapter, "Money is Good to Think," combines some unusual and revealing sources for reflection; Joseph Noko explores the origins of money from Aristotle to Ancient Egypt; and Noam Yuran provides an extraordinary revival of Sombart's theory of the origins of capitalism—not in hard work and rational accumulation, but in a new market for luxuries linked to sexual freedom.

Part 3 brings together a number of examples of the speed and variety of developments in the money form today. Supriya Singh sees banking the unbanked poor as a central policy for their emancipation, whereas David Pedersen offers a more jaundiced perspective on global finance. Horacio Ortiz offers rare insight into China's financial relations with the West in the field of cross-border investment. Bill Maurer offers a remarkable survey of the US payments industry, while Nigel Dodd reveals the subterranean politics of bitcoin. This section offers some justification for the eclectic assemblage of these chapters. They are all about money, but in a great variety of contexts.

Part 4 covers a wider range of time, including the traditional Indian financial instrument, hundi, under British colonial rule (Marina Martin) and the vagaries of markets and money in nineteenth-century Lesotho (Sean Maliehe) . We conclude with Hadrien Saiag's study of gender and money in Argentina and Federico Neiburg's examination of an imaginary currency, the Haitian dollar. Our larger aim, by casting our net so wide, is to expose the human economy idea to as wide a range of cases as possible.

Keith Hart is a well-known specialist in the study of money. He is the international director of the Human Economy Program at the University of Pretoria. He contributed the concept of an informal economy to development studies and has taught widely, notably at Cambridge. He is the author with Chris Hann of *Economic Anthropology: History, Ethnography, Critique* (2011).

NOTES

1. I am grateful to John Sharp, South Africa Director of the Human Economy Program, and the Andrew Mellon Foundation for making this conference possible.

REFERENCES

Blanc, J. 2010. "Community and complementary currencies." In K. Hart, J. Laville, and A. D. Cattani (eds.), *The Human Economy*. Cambridge: Polity Press, pp. 303–312.

Coase, R. 1937. "The nature of the firm." *Economica* 4(16): 386–405.

Durkheim, E. 1965 [1912]. *The Elementary Forms of the Religious Life*. Glencoe, IL: Free Press.

Hann, C., and K. Hart. 2011. *Economic Anthropology: History, Ethnography, Critique*. Cambridge: Polity Press.

Hart, K. 1986. "Heads or Tails? Two Sides of the Coin." Man New Series 21(4): 637–656.

———. 2000. *The Memory Bank: Money in an Unequal World*. London: Profile.

———. 2005. *The Hit Man's Dilemma: Or Business, Personal and Impersonal*. Chicago, IL: Prickly Paradigm.

———. 2007. "Money is always personal and impersonal." *Anthropology Today* 23(5): 16–20.

———. (ed.). 2015. *Economy For and Against Democracy*. New York: Berghahn Books.

Hart, K., J. Laville and A. D. Cattani (eds.). 2010. *The Human Economy: A Citizen's Guide*. Cambridge: Polity Press.

Hart, K., and V. Padayachee. 2013. "The history of South African capitalism in national and global perspective." *Transformation* 81/82: 55–85.

Hart, K., and J. Sharp (eds.). 2014. *People Money and Power in the Economic Crisis: Perspectives from the Global South*. New York: Berghahn Books.

Parry, J., and M. Bloch (eds.). 1989. *Money and the Morality of Exchange*. Cambridge: Cambridge University Press.

Salmon, A. 2010. "Corporate social responsibility." In K. Hart, J. Laville, and A. D. Cattani (eds.), *The Human Economy*. Cambridge: Polity Press, pp. 166–174.

Simmel, G. 1978 [1900]. *The Philosophy of Money*. London: Routledge.

Wardle, H. 2005. "A city of meanings: Place and displacement in urban Jamaican self-framings." In J. Besson and K. Fog Olwig (eds.), *Caribbean Narratives of Belonging: Fields of Relations, Sites of Identity*. Oxford: Macmillan, pp. 79–93.

Williamson, O. 1996. *The Mechanisms of Governance*. Oxford: Oxford University Press.

Zelizer, V. 1994. *The Social Meaning of Money*. New York: Basic Books.