

Time for moral economy? Geoforum, 65 (2015) 291–293

Andrew Sayer, Lancaster University

Department of Sociology

Lancaster University

Lancaster

LA1 4YT

a.sayer@lancaster.ac.uk

At this time of neoliberal austerity, standing on the brink of producing runaway climate change that threatens our futures, it seems irresponsible to continue the academic tradition of avoiding normative judgements of what is good or bad, life-enhancing or life-threatening, just or unjust. We have news media dominated by the super-rich, and a political class that is in thrall to a global plutocracy heavily invested in perpetual economic growth and fossil fuel use, and in denial of climate change. To stop carbon emissions exceeding the 2 degree Celsius limit we need rapid social change on an unprecedented scale, with massive economic restructuring and changes to ways of life; in particular, economic growth has to end in rich countries (Jackson, 2007). We need not only to draw attention to what's problematic about the crisis we're in, but also to think normatively about what a good life after growth could be like, and the kind of economic organisation that could support it. Unless, we have some idea of alternatives, critiques of the status quo are unlikely to have much traction. Here, I want to argue for moral economy as an approach that can contribute to this daunting task.

Amartya Sen once distinguished between 'engineering' and 'ethical' approaches to economics (Sen, 1991). The former treats economies as machines that work in various ways that need to be described and explained, and which economists can fix if they work badly. The ethical approach treats economies as sets of social relations and practices that may be good or bad on moral and ethical grounds and need to be assessed in those terms. In the days of classical political economy, the two were seamlessly merged. However, thanks to the disastrous divorce of

positive (descriptive and explanatory) and normative thought following the emergence of separate disciplines in the social sciences, most researchers have become averse to normative reasoning, leaving this to political theorists, who return the compliment by discussing ideal models of distribution that ignore the injustices of actually-existing economic practices and situations (capitalism is rarely mentioned in such literature). Hence the work of the likes of Rawls or Dworkin or Sandel poses little or no threat to the established political economic order.

The engineering approach's dominance in economics and indeed political economy and economic geography is overwhelming. It is of course necessary to know how the economy works as a system - how, for example, the financial crisis of 2008 arose - and economic geographers have made important contributions to this task. Yet, even if the system ain't broke, it may still be problematic in terms of justice and allowing people to flourish.

In Marxism, the ethical critique is largely implicit, or absent among those who - in a variant of the positivist fact-value dichotomy - believe that science and ethics are radically different and incompatible, with the former ('scientific socialism') superior to the latter ('humanist or ethical socialism'). They prefer to develop engineering critiques of 'contradictions' rather than get into critiques of injustice and oppression. On this view, 'humanist' or 'ethical' socialism is at best a substitute for poor logical thinkers. Defining exploitation just in quantitative, value terms may seem more 'scientific', but it doesn't in itself tell us what's wrong with it, namely that it takes unfair advantage of others and fails to treat

them as ends in themselves. This leaves us in a weak position for criticising existing institutions.

'Moral economy' reinstates the ethical approach to economy. Like 'geography', the term can refer either to a kind of study or the object of that study. As a way of studying the world, it examines and assesses the moral justifications of basic features of economic organization, in particular property relations and what institutions and individuals are allowed and required to do. It also examines and assesses the moral influences on, and implications, of economic activities, and how economic practices and relations are evaluated as fair, unfair, good or bad by those involved in them. Wilson's (2013) study of Cuban 'everyday moral economies' is a good example of these latter concerns, both documenting and assessing those lay evaluations. Moral economy treats the economy not merely as a machine that sometimes breaks down, but as a complex set of relationships between people, and between people and nature, increasingly stretched around the world, in which they act as producers of goods and services, investors, recipients of various kinds of income, lenders and borrowers, and as taxpayers and consumers. As a critical approach it goes beyond the usual focus on irrationality and systemic breakdown, to injustice and the moral justifications of taken-for-granted rights and practices. It's not only about how much people in different positions in the economy should get paid for what they do, but whether those positions are legitimate in the first place. Is it right that they're allowed to do what they're doing?

Once economic institutions and practices have become established, these normative questions tend to be forgotten, and a shift takes place from the normative to the normalised or naturalized (de Goede, 2005). Indeed, legitimations of the arrangements may scarcely be needed. Few economic institutions result simply from democratic deliberation about what is fair. Most are products of power. Thus, it is not questioned why workers have no ownership rights over the goods they make, or why shareholders who have acquired their shares second hand should have rights to dividends from and influence over companies despite having contributed nothing to them (the money they pay for the shares goes to the previous owner, not the company). Unless, we challenge such arrangements, they are likely to remain. As Habermas commented, through such normalisation, *questions of validity are turned into questions of behaviour* (1979, p.6). An engineering critique of capitalism might explain the role of the growth of the shareholder movement in the crisis and the preceding boom, but without in any way challenging the legitimacy of the basic property relation involved. Politics without ethics is directionless, while ethics without politics is ineffectual. Moral economy seeks to combine them.

As an object of study, some have defined moral economies in opposition to market economies, as Edward Thompson famously did, but unlike him, though like many more recent users of the term, I regard all economies as moral economies in some respects (Arnold, 2001; Booth, 1994; Keat, 2012; Murphy, 1994; Sayer, 2007; Thompson, 1971), for all invoke some sort of moral/ethical justifications for their key institutions. This is not to imagine that such justifications have much to do with the formation of such institutions, for this

typically depends on power, with justifications – usually of a utilitarian kind - primarily serving as rationalisations after the event. Still, the very fact that they are largely products of power makes it all the more important to subject these justifications or rationalisations to critical assessment.

Its definition of the economic is like that of economic anthropology and feminist economics: it refers to provisioning activities that to a greater or lesser degree enable people to live well (Ferber and Nelson, 1993; Polanyi, 1944). These activities extend beyond the money economy to unpaid labour, including care work, and gift relations. Capitalism is a peculiar form of economy in that provisioning is a side-effect rather than a goal; as a crucial characteristic it is an obvious target of critique.

Provisioning involves two key kinds of relations: the social relations through which it is conducted (no-one ever got rich or poor outside these), and relations between people and nature, for as Marx saw, all material use-values are ultimately transformations of nature. To say we are social beings is to acknowledge our dependence on others. That dependence can take different forms - some, like care relations, life-enhancing, others, like slavery or usury, harmful. Conventional economics largely ignores both kinds of relation: political economy examines the first but rarely the second. These are forms of estrangement – problematic not only for both explaining economic phenomena and for evaluating them - but also in life. One of the reasons for this estrangement is the increasing stretching of both kinds of relation across space. As the division of labour has deepened and extended, it is less and less clear on

whom we are dependent as producers and consumers, and what the environmental impacts of our activities are. Ignorance of and indifference to others and to our metabolic relation to nature are the result. Geographers are better than most at acknowledging both kinds of relation, but I would urge it to take more notice of the moral dimension of economies.

Nonetheless let me deal with one likely objection: For many readers, moral economy may sound strangely normative, taking us beyond what we as academics can and should do. Students of geography and social science learn to limit themselves to description and explanation, and to be cautious about saying what is good or bad about social phenomena, lest their tutors write 'value-judgement' in the margin, or tell them that value-judgements are 'subjective', and penalise them accordingly. Yet evaluative judgements can be products of reasoning, and be about something (what behaviours and social practices enable people to flourish or suffer in this case), and assessed in relation to those things. The reasoning is often difficult and of course there are sometimes dilemmas and unresolved questions, but to imagine that evaluations are beyond reason and simply arbitrary makes no sense of how we live.

Some, under post-structuralist influences, learn to associate normativity with 'normalising' – telling others what they should do - and the 'moral' with repressive limitations on behaviour; they therefore censor themselves, and write in crypto-normative terms that cast the world in ominous tones, but fail to say *what* is problematic about it (Sayer, 2011). To be against normativity is to contradict oneself – like saying 'it's wrong to say anything is wrong'. Normativity

is not reducible to ‘normalising’ or telling others what they should do, as many tend to imagine. In positivist fashion, this re-casts the issues into an is-ought dichotomy. Of course moralities seek to prescribe what kind of behaviour is permissible, but they do so according to *evaluations* of what is just and conducive to well-being, though of course we may question whether they successfully identify this. Off duty, post-structuralists tend to be as moral as anyone else, indeed more so where the use of language is concerned. Sexism and racism, for example, are morally/ethically¹ wrong because they arbitrarily and unjustly oppress those who are subject to them.

Normativity is first of all, before any ‘oughts’, the *evaluation* of things, and both this and its recommendations are to be taken as such and not as authoritarian commands. The very meanings of good and bad are directly or indirectly related to our capacity, and that of other species, for flourishing and suffering. As living beings we can flourish or suffer in a host of ways, and these are states of being that require evaluative descriptions if we are to understand our situation. If you don’t know whether someone is starving or well fed, oppressed or free, stigmatised or valued, and know whether these states of being are good or bad, then you don’t know much about them. If I say millions of people are suffering in Syria, I’m making a claim that is both empirical and evaluative, and if you don’t know that suffering is *bad*, you don’t know what it *is*. Imagine going to see your doctor to have your blood pressure taken, and when you are given the two numbers, one over the other, and you ask whether it’s bad, the doctor said “ah,

¹ I use ‘moral’ and ‘ethical’ interchangeably here, to include all of what is generally associated with each term (Sayer, 2011).

that would be a value-judgement, and therefore of no scientific value”, you would think them mad. Yet many social scientists imagine that evaluative judgements are a kind of contaminant threatening objectivity. On the contrary, to do justice to our nature as living beings, capable of flourishing or suffering, and of living in oppressive and miserable ways or life-enhancing ways, we need evaluative descriptions of our states of being. It is a mistake to think of values and objectivity as necessarily opposed. This is the shared error of conservatives who want to exclude values in order to allow objectivity, and radicals who accept values and trash objectivity (Sayer, 2011).

Legitimations of economic institutions may appeal to criteria of need (e.g. for child benefit), or desert (how much people deserve to be paid in relation to what they contribute), or justice (about what is fair vis-à-vis comparable others, or exploitative, or oppressive), or, as in utilitarianism, to outcomes (not the relationships and processes that produce those outcomes). It would be hard to assess any economy without considering *all* these criteria, but we need to add environmental criteria too. Boltanski and Chiapello (2006) have usefully identified some of the normative rationales for different forms of organization in capitalism, though they leave their evaluation of these implicit. These legitimations and criteria matter to people. For example, surveys of views on economic inequality show that people are concerned not only about what individuals get in income, but what they contribute in terms of work (Orton and Rowlingson, 2007; Horton and Bamfield, 2009). Part of our job as academics is to assess these folk moral economic beliefs critically and improve upon them.

A key distinction in moral economy is that between earned and unearned income, the former being conditional upon contributing to the productions of goods and services, whether commodities or simple use-values, the latter being derived from control over existing key assets like land, property, technology, money that others need but lack (Sayer, 2014). Like any money, £1 million pounds in rent or interest or dividends has value only if there are goods and services that it can buy, so asset-based unearned income depends on producers (recipients of earned income) producing more than they can buy with their own pay. Property that is held not for its use-value but as a means for extracting payments from others or as capital gains was termed by J.A. Hobson ‘improperty’, an exploitative form of dependence; it’s ‘something-for-nothing’. Rent, interest, capital gains, and dividends are all forms of improperty, supporting functionless *rentiers*. Capitalist property in means of production, is also improperty, though unlike *rentiers*, their profit is at least dependent on its use for producing commodities.

All these social relations are questionable from the standpoint of justice. For example, rather than take interest on debt simply as a fact of life, to be documented and analyzed just by an engineering approach, we need to re-examine the ancient critiques of usury, which recognized it as a means by which the rich can take advantage of the weakness of the poor (Pettifor, 2006; Graeber, 2011). Whether it’s pay-day loans or the Greek debt crisis, this simple insight still applies. We need to remind people of this continually.

In ordinary life, as opposed to academic work, the big questions in life are normative ones of what to do for the best. To leave out the moral economic

critique and restrict ourselves to an engineering critique is to give capitalism an easy time. In the context of neoliberalism, austerity and impending runaway climate change, I have argued that it is particularly important that we engage in normative reasoning now. But while this starts with evaluation, we need also to work on 'envisioning real utopias', as Erik Olin Wright argues (Wright, 2010; see also Ruttenberg, 2013), in order to assess what alternative economic institutions are desirable and viable, according to criteria of justice, well-being, and sustainability, and then work out how to achieve them politically.

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