Economic Conscience and Public Discourse

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Abstract
This article provides a critique of the self-validating public responses to the international crisis of legitimacy facing the Banking industry and Professional Politicians. It compares the failure of economic conscience within Establishment economic and political institutions with the public culture of intrinsic economic conscience found in some developing economies, similar embryonic developments in Western economies and highlights how they might contribute to a renewed public discourse of economic conscience and democratic governance in more supposedly advanced societies.

Damaging Cultural Roots before Damaging the Garden
It has been said many times before. As early as 1964 Joan Robinson wrote,

Any economic system requires of set of rules, an ideology to justify them, and a conscience in the individual which makes him (sic) strive to carry them out (Robinson 1964)

Not surprisingly, there has recently been a plethora of public discourse about the current economic and political crisis. The Establishment view seems to be that institutional reform in various guises designed to get back to business as usual can be the solution to this crisis. But the very rules of overly market-oriented societies have been shown to be the problem rather than the solution, as well as being heavily reliant upon justifying ideological falsehoods for their legitimacy. Given the impersonal nature of an overly market-oriented society, a sense of economic conscience within Capitalism was perhaps always questionable, but it currently seems to be disappearing altogether from the workings of our key economic and political institutions. So how do we respond to this?

It is both unhelpful and (probably) impossible to a priori explicate the values that would inform a more developed and progressive economic conscience. I cannot sit in my political armchair and summon that up in a way that would suit all people for all time. Nor can anyone else. Whilst it might be likely that any shared notion of economic conscience will have some relationship to more generally shared ethics, whether virtues or an emanation of some sort of social contract, I do not intend to engage in a futile attempt to define an economic conscience. Instead, I intend to critique Establishment public discourse during their crisis of economic and moral legitimacy on their own terms and suggest that they do not live up to their own espoused values. This is offered as a way of suggesting renewed ethical and moral articulations are needed as part of the broader critique of the over extension of rules of market rationality. But such a critique is also aimed at the ideological justification of Capitalist economic and social relations to expose basic contradictions and the highlight the way such ideology closes down the ethical ‘universe of discourse’ (Marcuse 1964). Current Establishment public discourse concerning ethics within the economy is but a new round of this closing of the universe of discourse in pursuit of internal self-validation.

These discussions are well known, but the current crisis conditions are novel because they has shown beyond all doubt that Establishment institutions have lost the conscience to adhere to
even *their own* rules and justifying ideology. Their overly market-oriented amorality means that their economic conscience is now thoroughly *extrinsic* and their ethical-esqueness needs to be made *explicit*. This is economic bad faith since it is abundantly clear that economic technocracy and professionalized politics continues as usual. But these failures of economic conscience have brought broader cultural damage.[i] For a long time economic technocrats, professional politicians and many other Establishment cultural organisations have been complicit in quietly damaging the cultural roots of prudence and communal solidarity by advocating growth fetishism (Hamilton 2003), economic individualism, over-consumption and ecological damage that have eroded (Sandel 2009) a broader sense of collective purpose. Critical Theory has for many years shown that the over-extension of market rationality and commodification has broad cultural consequences and produces a particular social character (Fromm 1976) which tends to diminish public discourse for the common good.

So what is the alternative? In contrast to our economic technocrats and professionalized politicians, the vernacular cultures of the developing world often exhibit an economic conscience *intrinsically embedded* within active traditions of economic prudence, justice and communal care. This economic conscience is *implicit* and is much more credible for that. Relationships between these deep cultural roots and economic conduct guided by a sense of conscience appear to form an emergent self-organisation (Johnson 2001) that *proactively animates* behaviour. This suggests that re-stating cultural roots and re-building organisational spaces for a renewal of ethics within Western(ised) democratic governance is a broader task of public discourse if an economic conscience is to be restored. This goes far beyond reforming the City and the electoral system.

So three key issues. Firstly, the bad faith of recent Establishment public discourse on ethics and economy needs to be highlighted as part of the problem and not the solution. Secondly, if our cultural capacity to envision an economic purpose of the common good has been so damaged by an over extended market orientation, what specific lessons can the vernacular traditions from non-market-orientations give us? Thirdly, how might a new public discourse and renewed democratic governance capable of considering a reconnection between economic rules and conscience come about? Let’s begin with the first point.

**Recent Public Discourse and One-Dimensional Self-Validation**

When it comes to international public discourse on morality, the Pope may not represent everyone but his pronouncements can be seen as representative of a particular Establishment view. In his recent Papal Encyclical entitled *Charity in Truth* (2009), Pope Benedict recognises that the technocratic obsessions of economic institutions have resulted in a failure of justice. His advisor, Professor Zamagni is quoted[iii] as denying that the Papal Encyclical is ‘anti-capitalist’, but does add that it ‘… views capitalism in its historical dimensions and goes beyond it’, which is really quite Marxist. In the same article, the Chief Rabbi is quoted as saying,

*Markets don’t guarantee equity, responsibility or integrity. They can maximise short-term gain at the cost of long-term sustainability. When it comes to flagrant self-interest, they combine the maximum temptation with the maximum opportunity. Markets needs morals, and morals are not made by the market*

And also in the same article, the Archbishop of Canterbury is quoted as saying,

*It is a little too easy to blame the present situation on an accumulation of individual greed, exemplified by bankers and brokers, and to lose sight of the fact that governments committed to deregulation and to the encouragement of speculation and*
high personal borrowing were repeatedly elected in Britain and the United States for a crucial couple of decades

Responding to questions from The Queen of England about the cause of the economic crisis, Professor Garciano of the London School of Economics is quoted[iii] as saying,

*I think the main answer is that people were doing what they were paid to do, and behaved according to their incentives, but in many cases they were being paid to do the wrong things from society’s perspective*

These public statements all seem to suggest that our current loss of economic conscience is an opportunity cost associated with an over-extension of the market rationality which is so routinely celebrated as the guarantor of the good society. But our eminent economists have been routinely advocating this over-extension for the past 30 years and our religious leaders have done little to challenge this. One gets the distinct impression that they do not see how self-contradictory they are being, which brings us to the one dimensional nature of this public discourse.

In *One Dimensional Man*, Herbert Marcuse (1964) describes ‘one dimensional thought’ as a facet of how justifying ideologies operate and become established. The guiding rationality of society’s key institutions tends to close down cultural space for debate and reduce our collective capacity to envisage broader ideas of human reasonable-ness. Central to the reproduction of one dimension thought is the use of internally ‘self-validating analytic propositions’.

*At the nodal points of the universe of public discourse, self-validating, analytical propositions appear which function like magic-ritual formulas… they produce the effect of enclosing (public discourse) within the circle of the conditions prescribed by the formula… in this universe of public discourse, speech moves in synonyms and tautologies; actually, it never moves towards the qualitative difference… The ritualised concept is made immune against contradiction* (Marcuse 1964 p. 88)

The result is an institutional nexus that can only refer to itself as the arbiter of reasonableness. Its very language carried this forward. *Choice, freedom, democracy, growth, progress* cease to be invitations for public debate about collective choices. Instead they become ready-made ciphers for pre-set institutional formulas. Words that should denote a process of democratic engagement simply become political mantras. Representing pre-established institutional formulas as ‘technical necessities’ leading to the famous ‘there is no alternative’ is a case in point. And the current crisis has thrown up recent examples. For instance Mr. Phillip Hammond, UK Shadow Treasury Chief Secretary tells us[iv],

*It is absolutely essential that we send a signal to the markets that we have a credible plan to resolve the fiscal crisis and the debt crisis over a sensible period of time*

It appears that this is so essential because Mr. Hammond is concerned about Standard and Poor’s upcoming assessment of the UK’s credit rating. So the fiscal crisis caused by the need for a government bail-out of the banking system has motivated a prospective UK government to work to convince said banking system that it is credit worthy! The fiscal consequences of this economic technocracy are an estimated 16% cuts in public spending on services that the poorest in society rely upon the most. But of course, these self-perpetuating ‘technical necessities’ internally self-validate long-standing Tory obsessions with cutting public spending. The fact that the poorest in society will suffer the most is no doubt another ‘price worth
paying'. There is an ethically moribund separation of the rules and justifying ideology from any perceivable notion of economic conscience here, for all the recent moral hubris of MPs. Masquerading as technical necessities, this piece of internally self-validating economic technocracy avoids democratic public discourse about distributive justice. The internal workings of the system are used to validate the internal workings of the system.

But to be fair to Mr. Hammond, he is part of a much bigger contradiction. Whilst critical of the social disconnections within economic technocracy, the Papal Encyclical does not go beyond its own self-validating cultural and moral paradigm. It only refers to the traditional values that have been a barrier to cultural, intellectual and ethical debate for too long. We might paraphrase Professor Zamagni and suggest that we view the Papal Encyclical in its historical dimension, and go beyond it. After the expenses scandal professional politicians of all colours promised to change their ways. But in fact they have only referred back to their own internal, self-validating rule-making. At the height of the expenses scandal they rushed to proclaim their innocence-within-culpability (more one dimensional language) and tell us that they were all ‘just following the rules’. The fact that no rules were broken whilst they continued to claim re-reimbursements for phantom second houses, duck ponds and dog food only goes to show how their internal self-validations had disconnected the rules from any broader sense of economic conscience. Their lack of moral and intellectual credibility is now almost complete.

And then we come to the most damaging part of this constituency, the economic technocrats. They still seek to self-validate the autonomy of markets as the solution despite this very thing creating institutional irrationalities that led to world economic recession. Gillian Tett’s book Fool's Gold (Tett 2009) is a timely anthropological study of bankers’ group-think and highlights this in close detail. It appears that their separation from economic conscience was not an aberration but a fundamental characteristic of their operating paradigm. Mr. Hammond is not alone. Technocratic justifications of purported ‘necessities’ in isolation from social consequences have been part of the justifying ideology of market-orientations for a long time. And the consequences become clearer by the day. The culpable bankers have gone into hiding, profits are up, inflated bonuses are back, banks continue to charge inflated interest rates and renege on insurance payments from their own employment protection schemes. Getting back to self-validating business as usual seems to be their only concern. Their social and ethical disconnection seems irretrievable, showing the crisis of economic conscience to be deep and endemic. Despite all that has happened recently, witness the self-validation of Mr. Steven Hester, Chief Executive of the Royal Bank of Scotland,[v]

…we especially, but all banks too, have become regrettably high profile. We sometimes feel as if commentators… want us to go back to over-lending, to operate on a ‘not-for-profit’ basis, to never entertain a client and to offer employment conditions that deter the brightest and the best. Oh yes, and at the same time to pull off a recovery enabling taxpayers to recoup the support given

It seems that public comment on banking conduct leading them to become ‘high profile’ is the problem for Mr. Hester. Questioning the scale of their profits is to be easily dismissed as something absurd. Being able to pay inflated bonuses (as well as receive compensation of £9m himself) to the ‘brightest and the best’ self-validating technocrats who originally caused the problem and who are not really the brightest and the best in more reasonable views of the world, is the solution. ‘Pulling off’ a recovery to a crisis caused in large part by his bank so the taxpayer can recoup State support, that was previously not supposed to interfere with the workings of the market, seems to be an extra burden carried out ‘at the same time’ as getting back to super-profitable business. This is a case study in one dimensional thinking because it
is unable to see beyond the its own self-referential institutional mind-set, avoids any recognition of glaring interior contradictions and works to designate comment from outside of that self-validating universe as irrational and to be dismissed. It is a study in the avoidance of social consequences central to the internal self-validation so often used by economic technocrats. A lack of economic conscience indeed. More recently, when Lord Turner, chairperson of the Financial Services Authority (FSA) criticised the banks as 'socially useless' and suggested a re-think of the Tobin tax it propelled Ms. Angela Knight, CEO of the British Bankers Association to say[vi]

... if we say we do not want to have an international, competitive, industry here, then we will do to financial services what we have done to manufacturing and engineering...

Ms. Knight will find it difficult to refer to a collective economic 'we' with any credibility given that the banking sector has established how the broad economic fate of the people of the nation is of little consequence to them. To try to refer to a collective economic interest now can only be an ideological conflation of the interests of the banking sector with the interests of the 'we' of society so as to gain validation. This sounds very hollow given the recent ethical bankruptcy of her colleagues. But not all her colleagues are even that subtle. Within the same spat of public discourse, Mr. Wheeldon of BGC Partners proclaims that he is '...appalled, disgusted, ashamed and hugely embarrassed' by the claims that the banking sector got things wrong and needs to mend its ways. Any developed theory of ethics and morality - Virtue Ethics, Social Contract Ethics, Pragmatism or Emotivism – all share a fundamental premise. An ethical assessment of behaviour and the ability to make intelligent moral judgements there upon stems from the ability to situate behaviour in a broader context of consequences. Mr. Hestor's vivid use of internally self-validating analytical propositions and Mr. Wheeldon's 'disgust' are in their different ways the direct opposite of any such sense of consequence.

The Rationalisation of Criminality
By October 20th 2009 Mervyn King, the Governor of the Bank of England added his concerns about moral hazard that the bail-out of the banking system has created[vii].

The massive support extended to the banking sector around the world, while necessary to avert economic disaster, has created possibly the biggest moral hazard in history… It is important that banks in receipt of public support are not encouraged to try to earn their way out of that support by resuming the very activities that got them into trouble.

However, there seems little faith that the bankers are learning such lessons. In November of 2009 Hector Sans, Chief Executive of the Financial Services Authority (FSA) still felt the need to declare that the 'development of the right industry culture has not been adequately addressed’ by regulators and warn that if bankers ‘... do not adjust their behaviours they can expect tough action from the FSA,... and yes, that does mean people go to jail[viii]. Whilst it might be natural for regulators to turn to regulation in their time of crisis, Mr Sans’ declarations of criminality and jail are illuminating for our discussion of economic conscience. It is clear that there is already a high proportion of criminality in the day to day activities of the banking sector. But it seems there is insufficient moral indignation about such white collar financial crime to motivate enforcement of existing regulation. It is estimated that around 25% of all mergers involve illegal insider trading but in the 10 years of its existence the FSA have convicted no-one for any of these crimes[ix]. It seems that Messrs King and Sans have been quietly presiding over a pre-existing and endemic moral hazard despite their current disquiet. They too have been part of the problem for too long to now become part of the solution. This moral hazard has also been the context for endemic corporate tax evasion that is estimated to lose the State £13bn in revenue
each year. Not only could proper enforcement of Tax law reduce the endemic crime wave within our financial institutions, it could seriously help to re-balance the budget that Messrs Cameron and Osborne seem so concerned about. In parallel to this, and despite wide spread abuse in the world of Professional Politics only six UK MP's and Lords are getting close to being charged with criminal offences.

But this institutional culture which hypocritically schews the distribution of moral indignation about crime goes even deeper. Zoe Williams of The Guardian[x] reports

> Since the credit crunch, middle-class shopping habits have changed. Their preferences have remained broadly similar, it's just they no longer like to pay for things – and are now shoplifting to “keep up appearances”

The keeping up of appearances through illegal action seems not bring moral indignation when the people committing the crimes do not look or sound like criminals. This reproduces in broader social contours the self-validating ethical propositions alluded to above. People who look and sound like criminals are the ones who commit crime. Those who do not achieve such a ready-made social identity do not commit crime despite their breaking of laws. The institutional self-validations of economic technocrats and Professional Politicians re-enters onto the broader cultural stage.

**Institutional Rationalisation as un-Reason?**

In a deeper sense the separation of institutional self-validation from economic conscience exemplified by too much of our current public discourse loses sight of what reasonable-ness dedicated towards shared human ends can be, probably ‘ought to be’ (Marcuse 1964), and culminates in a kind of economic and political un-Reason. Public discourse is beginning to recognise this. Writing in The Observer[xi] Will Hutton informs us that,

>(Lord) Turner (Chair of the FSA) tells me he thinks Paul Woolley who runs LSE's Centre for the Study of Capital Markets is right in his argument that the international financial banks have created a self-serving maelstrom. They created one set of financial instruments which created volatility which then required another set of instruments to hedge the volatility which creates more volatility in turn... The whole structure is largely purposeless in economic and social terms.

But these irrationalities have consequences for economic conscience beyond the internal institutional debates about reforms of the financial sector. Still paying attention to Professor Zamagni, Establishment institutional failures of economic conscience can be set in still broader historical dimensions, so that we might go beyond them. In *Whose Justice, Which Rationality?* Alisdair MacIntyre (1988) shows how adopting a particular rationality impacts upon capacities for ethical thinking. Our prevailing Establishment institutions have been historically formed by a formal rationality (Weber 1975) that has established ‘universal means’ to pursue all ends. For economic technocrats this has taken the form of universalised market mechanisms, and for professionalized politicians the institutionalisation of the political process within Party machineries and bureaucracies. The formal rationality within these two interlocking institutionalised domains accounts for their ‘disinterested’ adherence to pre-established institutional processes and priorities. The ‘unintended consequences’ of this are tendencies towards an inherent disconnect from social consequences. Because formal rationality is too often concerned with following its own rules at all costs, it tends to intellectually sponsors internally self-validating analytical propositions. It tends to encourage the goal displacement that we all recognise as red tape. But when this goal displacement includes the routine
disconnection between key Establishment institutions and an economic conscience geared towards the common good then this becomes something more than a minor daily irritant. Over-adherence to formal rationality too often creates a situation whereby the ‘means to an end’ become the ‘ends in themselves’ recognisable in internal self-validations of Mr. Hammond and Mr. Hester. The epistemological underpinning of much of this un-Reason lay in the over-emphasis upon static assumptions (Marcuse 1960) that tend to homogenise all individual economic motivation and action as self-interest. This fails to account for the more dynamic emergence of new, local patterns of production and distribution and the new kinds of economic relationships. Despite the certainty of over-extended market assumptions and their justifying ideological power being severely dented by their own recent failings, public discourse still seems unwilling or unable to recognise an alternative view that notes this complexity within economic life and the values inherent in different economic purposes. There seems to a wilfully chosen self-limiting intellectual view at work here which could almost a clinical definition of an economic ‘neurosis’. One of the symptoms is the loss of an historical perspective implicit within Political Economy in favour of centring most economic public discourse upon a reified conception of ‘The Economy’. This has tended to forego broad intellectual thinking about what the economy is ultimately for in favour of a technological rationality geared only towards inward looking technical analyses. The broader cultural consequences (Adorno and Horkheimer 1997, Marcuse 1964) of this have weakened our capacity for a holistic outlook that appreciates the interconnections between institutional and communal interests, between issues of technical growth and just distribution, and has culminated in the loss of broad ethical vision. Economic un-Reason is connected to a broader sense of cultural alienation and the loss of an active aspiration towards economic sympathy and reciprocity. Treating others as means to an end rather than human ends in themselves has become a broad aspect of everyday life and is attenuating the greater meaning given to life if it is lived through human sociality. It is tending towards a deep sense of self-ishness whereby economic policy merges with celebrity culture.

And at the very heart of this is the institutional tendency to treat all endeavours in a ‘de-personalised’ way that culminates in treating people as means to institutional ends rather than ends in themselves. In practice, this has reduced people to either consumers or to passive voters, whose only functions are to become units of consumption and supply market signals, or to intermittently lend electoral authorisation to the pre-established institutional personnel and priorities. When faced with Kant’s famous ethical maxim, ‘always recognise that human individuals are ends, and do not use them as means to your end’, Establishment institutions are unable to react ethically. Over a prolonged period, loosing sight of the ‘ultimate ends’ of the economy and actively perpetuating an intellectual separation between the social and the economic has culminated in a fundamental un-Reason because it has culminated in a loss of common economic purpose. If the internally self-validating public discourse of economic technocrats and professionalized politicians continue to claim themselves as the solution when they are so clearly the problem, then our collective capacity for Reason to re-connected economic rules to conscience can only suffer further degradation.

But imagining an alternative to this raises questions about an intrinsic sense of economic conscience that is a felt experience. Michael Sandel (2009) has argued very cogently that the predominant idea of respect in Westernised culture has become too associated with avoidance – to respect someone’s rights is to leave them alone, to respect someone’s space is the get away from them. The social consequences of this reduced idea of respect are perhaps an example of a broader diminution of other ways to actively express mutual care. In considering an economic conscience as a felt experience guided by a coherent sense of common economic purpose we need to reconsider active personal engagement rather than avoidance as an expression of virtues. For instance, in demonstrating how the current global institutional crisis is contributing to a profound questioning of values, Harold James argues that the (re)building
of trust needs to be cultural movement that takes place on a scale much broader that the proponents of institutional reform seem to appreciate. He writes,

... when globalization is broken, it is not easy to put together again. We will look for **communities of virtue** but we will not find them at once. And the globalization cycle will resume, but not immediately (James 2009).

But perhaps his search for such ‘communities of virtue’ has not been thorough enough. In considering such questions there is much to learn from the vernacular traditions of the developing world.

**The Intrinsic Economic Conscience of ‘Vernacular Societies’**

Before we go any further we should recognise that ‘vernacular societies’ (Rahnema and Bawtree 1997) are diverse and have their own implicit logic. There is a degree of inelegance in recruiting them for our particular argument when they should speak for themselves. We should also state clearly that the level of material development within a lot of these ‘vernacular societies’ is not something we believe anyone should aspire to. More the opposite, ‘vernacular societies’ in the ‘developing world’ should benefit from the levels of material development experienced in the West. Any credible combination of economic rules, ‘justifying ideology’ and conscience would need to include that, and the fact that they haven’t so benefited is itself an indictment of the failures of globalisation.

We want to discuss these ‘vernacular societies’ because we think they articulate an intrinsic economic conscience as an active expression of collective economic purpose, and so hold broader lessons on re-combining ethics and economy. In contrast to formal rationality and institutional self-validation, they exhibit a substantive rationality (Weber 1975) that focuses more clearly upon the ‘ultimate ends’ of any collectively organised endeavour. For instance, Nabeel Hamdi’s describes vernacular activities in South America,

... in practice, we need often to act spontaneously, to improvise and to build by small increments. First, spontaneity, as a quality of practice, is vital because most problems and opportunities appear and disappear in fairly random fashion and need to be dealt with or taken advantage of accordingly. Sometimes problems appear all at once and not according to predictable patterns. One therefore has to be selective, knowing that as one problem has been dealt with another will appear equally randomly. When you have run out of resources but not out of problems, you improvise – inventing rules, tasks or techniques as you go along. Improvisations then become a means of devising solutions to solve problems which cannot be predicted, a process full of inventive surprises that characterise the informal way in which many poor people gain employment, make money and build houses… (Hamdi 2004. p. 26)

Whilst formal rationality is often necessary for regular, reliable and predictable organisations, it too often becomes an ‘iron cage’ that stultifies inventive engagement and encourages depersonalisation. Substantively rational combinations of economic rules and conscience are often more reasonable. For instance, *Dama* is the name Malians give to their cultural tradition of active mutual care based upon ‘…a rich web of (caring) relationships’. We all tend to preserve our most developed ethical sensibilities for those we cherish the most, our family and friends.

The tradition of *Dama* articulates an economic conscience that values recognition and care for strangers too. It might provide small things like a fellow traveller giving you a little change for the bus, through to providing a meal for a hungry traveller, up to providing all a women’s needs for 40 days after she has given birth. Compared to Western economic individualism, *Dama* is a
more enlightened tradition of enlightened self-interest whereby appropriate economic conduct for each individual is consciously understood as actively giving to some and receiving from others so that everyone’s needs are more securely attended to. It is a reflection of Malian’s cultural tradition of generosity as the highest expression of ‘human-ness’ and their belief that only by providing for all can anyone live with dignity. In their own words[xii], Malians believe that Dama,

… keeps at bay much of the suffering and misery that official stats indicate should be the lot of the vast majority. It maintains dignity and strong values. It keeps tradition and society intact. Dama is based on the value of sharing and ‘being human’, and is propagated primarily through a strong, though informal, women’s social network

The traditions of comida and impostura in Central America have a tradition of communal food that might stand as a metaphor for a similarly intrinsic economic conscience geared towards the common good,

Impostura … rooted in radical worlds of commons, creates ‘we’s’ in and through the communion of food embedded in soil (agri)culture… (it) has a symbolic meaning and is, at the same time… an informal contractual relationship, where the partners make an implicit promise to each other to exchange part of their meal with each other. (Esteva and Prakash 1998. p. 32)

There are many other cultural traditions that share a similarly intrinsic economic conscience – the ‘gift economies’ and potlatch communities described by anthropologist such as Marcel Mauss (1966) and Lewis Hyde (2006); the tradition of Jogjami in India; the myriad micro-experiments in conviviality and community development articulated by the World Social Forum in Another World is Possible (Fisher and Ponniah 2003), Cuban experiments in communal food production, and many more.

In contrast to the technocratic un-Reason recently exhibited by our Establishment institutions, Majid Rahnema’s (1997) ideal type summarises the ‘organic consistency’ within ‘vernacular societies’. He describes how ‘multi-dimensional’ social, economic, political and environmental ends tend to be in more holistic relationships to inform local economic purpose. Intrinsic economic conscience forms an ‘immune system’ which tries to protect local communities against global economic vicissitudes and ‘organisational risk’ (Beck 1992) by encouraging ‘a living tissue of social and cultural relations defining the activities of their members’. Their economic conscience proactively animates rules for pursuing the common good rather then being merely a reactive break upon incipient amorality. As such, ethical and moral considerations within economic conduct are not abstract but part of the cultural ‘architecture’ that guides day-to-day personal interaction already situated against the values of reciprocity. For instance, perceptions of community need and practical definitions of what is essential are often animated by a culture of voluntary simplicity that differs markedly from Western culture of unlimited growth and maximised consumption. An older meaning of the word austerity, as a careful and responsible relationship with one’s resources as a progressive and positive mind-set describes this aspect of their economic conscience. This animates an ecological vigilance and care-full dialogue with nature, and by extension with other people. Their economic conscience tends to favour a minimisation of risk and a ‘prudent attitude towards innovation’. This contrasts markedly with Western growth fetishism as an internally self-validating economic objective that continues to deliver economic and ecological insecurity to the world. These characteristics contrast markedly with the internally self-validating institutional propositions we considered above because they demonstrate coherence between the rules, ‘justifying ideology’
and economic conscience. And perhaps this is the fundamental point. Market economies will always have a problem with economic conscience so long as their rules embody amorality, their 'justifying ideology' celebrates economic individualism and actual institutional conduct is so disconnected from broader considerations of common good and sustainability.

**Emergent Self-Organisation and Public Discourse**

Coming now to our third question, what lessons do these vernacular societies hold for a new public discourse? The current crisis provides dramatic evidence that our society needs to find new coherent relationships between the rules that guide economic and political institutions, the 'justifying ideology' through which they might claim renewed legitimacy and an active sense of conscience. The characteristics of 'vernacular societies' might contribute to renewed public discourse concerning these inter-relationships because they animate a much more active sense of mutual care that the formal economic and political institutions in the West have lost. They provide a point of contrast that throws the 'unintended consequences' of formal rationality into sharp relief and animate the potential benefits of a more holistic and substantively rational approach to economic affairs. They suggest the efficacy of values such as mutual recognition, active respect, a prudent attitude within economic conduct and the avoidance of risk as contributing to a more enlightened approach to the economy.

But 'vernacular societies' also show that public discourse needs to renew the deeper cultural roots within which an active economic conscience is embedded. And this gets us into very big questions about which much has already been said. Clearly global movements such as the World Social Forum, myriad national, regional and local political initiatives, advocacy groups, community projects, think-tanks and public forums of all kinds work to articulate a better relationship between economic institutions, Government and cultural values. Equally clearly the ecological movement in all its forms contribute much to thought about different relationships between ethics and the economy. There are historical traditions of conscience-full economic conduct in the West exemplified by Guilds, workers co-operatives, LETS Schemes and ‘social capital networks’ (Putnam 2001) that continue to have cultural import. The ‘new cultural economy’ is characterised by a growth in new relationships between rules for economic exchange, trust-based relationships and non-market motivations that seems to articulate its own culture of economic conscience. For instance, in *The Success of Open Source*, Steve Weber (2004) has described how the Open Source Movement has encouraged creative co-production and peer-to-peer non-proprietary exchange that also builds its own culture of trust and co-operation. The Open Licence and Copyleft Movements have re-invented forms of intellectual property rights that challenge the cultural ‘enclosures’ of corporate copyright ownership to enable more conscience-full economic and cultural exchange (Bettig 1996, Liang 2009, Ward 2004).[xiii] The ‘democratization of creativity’ (Leadbeater 2008, von Hippel 2006) exemplified within new mixtures of industrial trade, economic motivation, public culture and civic conscience built upon trust rather than competition is emerging in many ways. These specific endeavours offer a depth dimension to public discourse as a new economic conscience and public realm is simultaneously articulated. Perhaps the most exhaustive account of these phenomena is Yochai Benkler’s (2006) book *The Wealth of Networks*. Myriad changes in the production, distribution and exchange of economically relevant information and knowledge form the ‘commons’, as a new relationship between economic rules and a sense of conscience. He echoes Rahnema’s description of ‘vernacular societies’ when he writes of the commons as,

*... an alternative form of institutional space, where human agents can act free of the particular constraints required for markets, and where they have some degree of confidence that the resources they need for their plans will be available. Both freedom of action and security of resource availability are achieved in a very different pattern than*
they are in property-based markets (Benkler 2006. p. 326)

But do these emerging patterns of economic and cultural exchange have wider relevance? It is a commonplace within ethical philosophy that there can be no universal ethical ‘truth claim’ that will satisfy all the people all of the time. The contest of ideas within ethical and moral quandaries are only reconciled through public debate, and it is clear that the renewed sense of economic conscience found in the above examples has not yet become central to public discourse. Indeed, the cultural atmosphere of individualism, economic insecurity and civic disengagement are still the norm for the majority of the people for the majority of the time. But this just brings us to another commonplace within political discussion, the need for broader citizen engagement in, and renewal of, a culture of democratic governance. If we accept that the overly technocratic and professionalized nature of Establishment institutions has been part of the reason this has diminished, how can these very institutions support a broad renewal of public discourse and democratic governance that might embrace a coherent economic conscience and sense of common purpose? Put another way, if the predominant institutional structures have damaged the cultural roots of economic conscience, but the embryonic renewal of these cultural roots needs structures of democratic governance to broaden and deepen, how can structure and the process of renewal be re-envisioned in a new dynamic of mutual re-invention? Or are we simply left with a paradox – for ‘A’ (structural change) to happen requires ‘B’ (broadened cultural participation), but for ‘B’ to happen requires ‘A’?

Let’s take a short detour to consider the inter-connected concepts of auto-poesies (Capra 1996) and emergence (Johnson 2001) because they help to re-envision how structures and processes can be mutually re-creative of each other. The ‘auto’ in auto-poesis refers to ‘self’, and the ‘poesis’ refers to ‘the making of...’. Auto-poesis refers to self-making, or self-organising whereby the structure is shaped by internal processes and components, whilst the internal processes and components are shaped by the structure. Structure and process stand in a dialectical relationship and mutually create each other as an entity that emerges from its own activity. A definition of self-organisation is offered by Lucas (1997),

The essence of self-organisation is that system structure (at least in part) appears without explicit pressure or constraints from outside the system. In other words, the constraints on form are internal to the system and result from the interactions between the components, whilst being independent of the physical nature of those components. The organisation

In the context of political discussion this concept helps us to consider how a particular organisational structure might encourage processes of public congregation, whilst simultaneously the processes of public congregation might encourage organisational changes. ‘Explicit pressures or constraints from outside’ might be replaced by ‘interactions between the components’ and an ‘organisation (that) can evolve either in time or space’. For instance, Mackintosh (2001) has referred to mytho-poesis, a form of auto-poiesis within local politics whereby collective narratives (structure) of shared purpose motivate political congregation (process) which in turn re-affirms the shared-ness of narratives and leads to the generation of more engagement. He describes a political campaign to resist ecologically damaging developments in the isle of Eigg in the Inner Hebrides. Effective political structures of community solidarity emerged out of resistance motivated by narratives of economic and ecological conscience. As the campaign developed, links with other islands were made, participation grew, tactics developed and the self-consciousness of (self)organisation was strengthened. This dialectic of political structure and process within emergent self-organisation ultimately led to a community buy-out of the land and the end of the quasi-feudal arrangements
that had persisted up to then.

But broader examples of emergent self-organisation can be found. The current economic crisis was given its ethical tone by the greed, corruption and self-validation of the banking system. So it is instructive to consider an alternative idea of banking which has since gone on to become globally recognised for more positive reasons. Grameen Bank came into existence to extend banking to the poor, eliminate exploitation by money lenders and become an organisational structure through which they could achieve greater self-determination. But this structure also had a cultural facet that encouraged participation leading to a new narrative about banking and solidarity and to their winning the Nobel Peace Prize in 1986. This in turn led to the emergence of a new structure such that the bank is now 90% owned by the rural poor it serves.[xiv] A third example is found by returning to Benkler and his notion of the new ‘networked public sphere’. This similarly appears to have both stimulate and been stimulated by simultaneous changes in organisation structure and motivational process. It too appears to be born of a dialectical interplay between structural and cultural changes in a mutually creative dynamic that both enables and is carried forward by a self-organised political economy that expresses a recombining of new economic rules and ‘an increasingly robust ethic’. It appears that ‘A’ (new structures for local micro-politics, banking and communication) are creating ‘B’ (new processes of resistance, economic solidarity and ethics for economic exchange), whilst ‘B’ is (re)creating ‘A’. Whilst not without their problem[s]xv the emergent self-organisation of the Egg campaign, Grameen Bank and the ‘networked public sphere’ hint at mutually creating renewal of the organisational structures of democratic governance and the cultural roots for a sense of common purpose. They hint at a political version of the ‘making special’ which Dissanayake (1995) discusses as the transformation of practical structural issues so that they become a shared conscience with deeper cultural meaning.

When envisaging a ‘new politics of the common good’, Professor Sandel (2009) considers it fundamental that democratic governance returns to the idea of people as citizens capable of expressing a broad range of preferences and purposes to replace the current institutional treatment of people as merely consumers. The internally self-validating analytical propositions of economic technocracy and professionalised politics seem incapable of either conceiving of this or delivering it. More City regulation and electoral reform might change the rules, but this will not renew a culture of intrinsic economic conscience nor allow the expression of new preferences such as the common good. If recent news reports[xvi] are at all indicative there is disquiet on the Left about being unable to find a ‘coherent response’ to the crisis or draw a picture of an alternative future. But perhaps this usual search for the one-big-alternative from the Left, which has been our political sensibility and source of interminable infighting for generations, is also part of the problem rather than the solution. Whilst organisation and organisations are needed to support emergent self-organisation, they cannot become a replacement for it. To try to condense public discourse too much runs the risk of sanitising the self-organising possibilities of emergence and becoming rhetoric by self-appointment (Illich 1976). The (re)creation of an intrinsic economic conscience and the renewal of the organisations of democratic governance needs a new dynamic relationship. Building new inter-relationships between embryonic narratives of new economic purpose and more ‘open governance’ structures on the part of much broader range of intermediate organisational spaces for democratic governance is needed to simultaneously stimulate and be stimulated by public discourse.

For some, it might seem strange to bring the idea of conscience to bear on a discussion of Capitalist economies, when it is so thoroughly characterised by the de-personalisation of economic and social relations, commodification and the diminution of social obligations. But the
justifying ideology of Capitalism still claims a sense of ethical conscience and as such a critique needs to focus in part on their continued self-validations on that basis. The current cultural and political conditions only reinforce this. By taking this self-validating public discourse on their own terms and looking at the alternatives found in the intrinsic economic conscience of vernacular societies and other embryonic forms we can begin explore what the contours of what a genuine and intrinsic economic conscience is not. We might then begin to explore what we together might want it to be. The extent to which such an intrinsic economic conscience pre-existed Capitalism and has been denuded, or is something for post-Capitalism cultural development is an historical dimension beyond the scope of the article. But it is a pertinent question, are we seeking a renewal or the emergence of something new? There is ample evidence of a specifically economic aspect to a conscience of solidarity within very early societies (Sahlins 1974), the alternative cultural traditions of non-Western societies (Hyde 2006), the communal institutional forms of early vernacular political radicalism (Poulson 1984) and their persistence into more contemporary political cultures (Putnam 1997). But references to ‘stone age economics’ and a ‘gift society’ will be dismissed by our political opponents. Whilst such long-standing traditions might inform current debates about an intrinsic economic conscience, renewed cultural energies and the articulation of new possibilities for ethical practices of solidarity are also needed. It is clear that a personal sense of lived connection to others and the natural world is a fundamental part of this new politics. For elements of the Left to write this off as ‘merely’ personal, as if that means it is inevitably individualistic and therefore does not take account of the reality of Capitalism is at best a partial view, and at worse dismissive of a kind of cultural political engagement because it does not conform to their particular lens and a priori invent ready-formed and entire alternatives to Capitalism. Capitalism did not evolve in that way, and nor are alternatives to it.

It has been said many times before, places of work, educational institutions, hospitals, cultural venues, social welfare organisations, public broadcasting and journalism, settings for decision-making on the public realm, land use and urban planning are areas where extended citizen engagement could be stimulated, and could stimulate institutional change.[xvii] How this is played out in detail within each institutional nexus for each particular issue cannot be laid out before the emergence because these institutions need to allow themselves to be re-invented as ‘tools for conviviality’ (Illich 1973) and expressions of expanded ‘capabilities for freedom’ (Sen 1999) rather than re-invent themselves from within. The current crisis of legitimacy has shown that democratic renewal needs to be broad and take in wide panoply of institutional fields of activity that impinge upon everyday life, but it also needs to be deepened by rejecting the internal self-validating agenda that restricts to reform to internal considerations, if the democratic deficit is to really be overcome. Including considerations of the coherent and intrinsic sense of economic conscience found in ‘vernacular societies’ and finding ways to grasp the logic of emergent self-organisation might help to articulate such a renewal of public discourse and democratic governance. They provide points of comparison that show how the institutions and culture of ‘advanced societies’ have lost coherence between its rules, ‘justifying ideology’ and conscience. As we go to press with this article, Establishment public discourse concerning the crisis of legitimacy facing the banking system still revolves around a mixture of a kind of State Capitalist structural reformism agenda that separates ‘utility banking’ from high risk ‘casino banking’ to ensure the economic infra-structure for consumer Capitalism; a regulation centredness which requires tighter regulation of internal banking processes whilst leaving the basic contours of the over-extended market orientation, the pursuit of super-profit and consequent
social uselessness untouched; an accountancy centred-ness, which responses simply by requiring greater liquidity reserves; versions of the Tobin Tax; or jejune political opportunism within calls to curb bankers bonuses that either forgets or deliberately deflects attention from the macro view. There is still little or no real ethical content within these responses. Finding new relationships between a sense of economic purpose, the institutions of governance and the deeper cultural roots for a sense of respect, prudence and solidarity are necessary if we are to return to what A. C. Grayling (2003) calls the ultimate choice of pursuing the common good.

References


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[i] A recent survey of 1,200 workers reveals that ‘almost a third said they would behave immorally, including back-stabbing or lying’ in order to keep their job. Respondents between 18 and 34, who have spent a larger proportion of their lives in a post-Reagan/Thatcherite economic culture, were reported to be ‘more likely to throw their morals to the wind’. See The Guardian 1st August 2009, available at www.guardian.co.uk. Accessed 28th August 2009


[xiii] For practical legal advice and advocacy for Copyleft, see also Creative Commons at www.creativecommons.org


[xv] The ‘networked public sphere’ may still become subject to authoritarian control and over-commercialisation, and a digital divide might still reproduce more long-standing social divisions. But there are also more subtle problems. The information overload of everyone talking at the same time means no-one is heard. Attention can all too easily become fragmented in the absence of any condensation of common interests across public discourse. Disparate citizen preferences around specific issues could actually damage the renewal of economic conscience and lead to social polarisation.


[xvii] Renewal for a genuine public scrutiny of the executive and police force are other intermediate organisational spaces for the renewal of democratic governance.