

THEME

NOTE

We live in a time and place where all of our common problems are presented as economic in character. From the erosion of U.S. power to make the world over in its own image—or to fit its presumed needs—to the rising perception of crime in our cities and towns, the state of the economy is ritually evoked to provide a universal cause for any particular distress. Naturally, once the economy assumes this status, the solution to every social problem is sought in the field of economics. Keynesian or newfangled supply-sider, New Dealer or monetarist, the economist has never had it so good. While economics as a social theory proves itself less and less able to comprehend the world it has helped make, those in power parade an endless stream of economic whiz kids, armed with complex econometric models, simpleminded curves, and forecasts tailored to the political programs of their sponsors. “The economy,” to the economist, is an abstraction, but it is one that affects most of us in nonabstract ways: in higher prices, unemployment, greater debt; in short, in increasing powerlessness.

An economy is a sometimes simple, sometimes complex set of institutions and social relationships that works to meet the material needs of a society. But it is also a system of power. Power is involved in decisions over who will get what, who will work for whom, and under what conditions. When public discourse is carried on in terms of incentives, or supply and demand, or interest rates, it is carried on in a language that systematically tries to exclude these two fundamental aspects of the economy. By reducing the economy to the consequences of individual choice—whether to consume or save or invest a tax cut, for example—the language of economics excludes the social and historical nature of the institutions that make up the economy; not only commodity markets, but barter, governmental redistribution, subsistence agriculture, and household production as well—all of which coexist in a changing constellation in any economy. And this public discourse shunts aside the power behind administered prices, plant relocations, price subsidies, and the systematic depoliticization achieved through a culture of consumerism. By presenting the idea of the economy as a mechanism, the economist-mechanics are able to promise renewal through adjustments to the machine to “get the economy moving again.”

The federal budget, in part symbolically, has become the battleground in the war between factions in our political economy. Now baldly cast as the advocates of unbridled incentives for production versus more moderate defenders of the welfare state, both sides recognize that the social legacy of the New Deal was the (partial) empowerment of formerly excluded groups. As William Connolly argues, even when the opposing sides are defined this sharply, their respective programs converge at one unquestioned point: the virtue of economic growth. While the supply-siders, with a mixture of evangelical and technocratic single-mindedness, assault the defensive positions of the working class and the poor in order to spur growth in the GNP, their liberal counterparts, giving ground, put forward their own plans for "reindustrialization" in the belief that only economic growth makes social legislation legitimate—they don't notice that it is also what makes it necessary.

Efficiency and growth are the bywords of economics. They are also values—though they are rarely presented in that way—and as such they conflict with other values that cannot find expression in economic terms. Staughton Lynd reminds us of this when he draws our attention to the remarkable series of events that occurred in Youngstown, Ohio—events remarkable not because they involve an all-too-familiar corporate abandonment of a working-class city, but because of the resistance they have engendered. As long as profit is the measure of our collective well-being—and in the case of U.S. Steel we are speaking of whether or not a policy is profitable *enough*—the life and death of our communities will depend upon decisions reached in corporate board rooms in some undetermined place "out there." There is no room in a ledger for the values embodied in community. Indeed, when an economic ideology takes hold the way monetarism has gripped the British government, the possibility of any but the most abstract of economic concerns being brought to bear on national policy is progressively eroded, as Michael Best and Jane Humphries show all too clearly. And when moral support for the economic world view is forthcoming, it manifests itself in a thin political philosophy of inequality, dissected here in the second installment of Philip Green's critical response to the antistatists.

—N.X.