

civilizing the Economy

A New Economics of Provision



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Civilizing the Economy

When a handful of people thrive while whole industries implode and millions suffer, it is clear that something is wrong with our economy. The wealth of the few is disconnected from the misery of the many. In *Civilizing the Economy*, Marvin T. Brown traces the origin of this economics of dissociation to early capitalism, showing how this is illustrated in Adam Smith's denial of the central role of slavery in wealth creation. In place of the Smithian economics of property, Brown proposes that we turn to the original meaning of economics as household management. He presents a new framework for the global economy that reframes its purpose as the making of provisions instead of the accumulation of property. This bold new vision establishes the civic sphere as the platform for organizing an inclusive economy and as the focus of a move toward a more just and sustainable world.

MARVIN T. BROWN teaches business and organizational ethics in the Philosophy Department at the University of San Francisco and in the Organizational Systems program at Saybrook University in San Francisco. His previous books include *Working Ethics* (1990), *The Ethical Process* (2003), and *Corporate Integrity* (Cambridge University Press, 2005).

Preface

This is not a book I had been waiting to write. At least I didn't think so. Now that it is finished, I can see that it belongs to a particular personal story that began with my participation in the civil rights march from Selma to Montgomery, Alabama, in 1965, surfaced again years later with my work in the ethics and diversity training programs at Levi Strauss and Company, and now continues with a tale of slavery and economics. That is my story. It is not, however, the primary story of this book. The book sets up a contest between two economic frameworks: One is based on property relations and focuses on the accumulation of property; the other is based on civic relations and focuses on the making of provisions. The first one treats the planet and people as commodities and values them by the price they can fetch in the market. The second one treats the planet and human communities as living providers and protects them for this and future generations. In this book, the second framework wins. If it doesn't win, we all lose.

This contest is not between capitalism and socialism or between government control and private control. It is a contest between an uncivilized and a civilized economy. In a civilized economy, economic transactions are based on civic norms and people in these transactions are treated as citizens. An uncivilized economy, on the other hand, ignores the civic rights of persons and measures only what can be priced. It is based on property relations rather than civic relations. This is not a new contest. Since the eighteenth century, we have been slowly replacing property ownership with civic membership as the basis for our life together. This book brings this evolution of civic consciousness to the workplace and to the economy.

And what is the connection between the book's primary story about a contest between two economic frameworks, and my story

about a white male writer and teacher involved in the history and legacy of slavery? It turns out that slavery was an integral part of the creation of wealth in early capitalism, and yet the economic framework we have inherited from such works as Adam Smith's *The Wealth of Nations* never acknowledges this pivotal part of its beginnings. Why the disconnect? I don't know. I do know Smith saw slaves as property rather than as laborers. They were bought and sold. Smith, however, remains silent about all of this in his account of wealth creation. We live with the legacy of this silence, focusing on the accumulation of property without much regard for those who provide it.

The crux of the matter is whether we exclude or include the real providers of wealth in our economic models. It is also about how we interpret land, labor, and money. Are they properties or providers? It is about how we interpret property. Is it a private or a government institution? It is about how we divide up the economy. Should we think of different economic sectors or of different systems of provision? It is about who should organize the economy. Should it be property owners or all citizens? It is a highly charged contest. Obviously, this book will not settle it. Not at all. I hope the book brings the contest to the classroom, to the boardroom, to the workplace, and to city councils, where it can be refined, corrected, and expanded.

In some ways the contest is more about ethics than about economics. If ethics were about how we should live together, then economics would be a dimension of ethics. In any case, I would like to see this book included in conversations about justice and sustainability, about corporate responsibility, about poverty, about human rights, about viable communities, and about the process of making good decisions. There are literally millions of people involved in these conversations in a multitude of projects and programs in an untold number of daily activities and practices. They are working to provide, to protect, and to fulfill the purposes of their communities, and in such practices one finds the management of making provisions or economics.

This brings me to a central assumption of my work: Words make a difference. Not always, of course, but in some cases they make all the difference in the world. If we were to share our understanding of how we use the word “wife,” for example, we would probably have a fairly good idea of whether we operate in an economics of property, which defines wives as property, or an economics of provision, which honors what wives and husbands provide for each other. In a sense, the contest between an economics of property and an economics of provision is a contest over words and more specifically the meaning of words. From this angle, the book belongs to the practice of loving wisdom – to philosophy.

For some of us, philosophy begins with Socrates. He said that the unexamined life is not worth living. That seems to be true. He also said that he saw himself as a midwife. A midwife? What about the “economic man” or “rational behavior based on self-interest”? How could a man see himself as a midwife? Easy. Wisdom is not gender specific. Socrates loved wisdom, not because he possessed it – it was not self-love – but because he sought to bring it out in conversations with others. Above all else, Socrates was a dialogical philosopher. If we are to have a wise economy, we will need to engage in similar processes of dialogue – asking questions, examining answers, going deeper – so we can examine our life together and make it truly worth living. As you will see, the heart of an economics of provision is the idea of civic conversations, where citizens engage in deliberations that shape their common future. Maybe that is what economic midwives do.

Countless conversations with other people have helped birth this book. Many of the ideas and even words have been borrowed. Because the book draws on knowledge from multiple disciplines, I have had to rely on others. Sometimes I was lucky to find a book or article that answered a question I had just asked. At other times, colleagues suggested I do more reading or look at some literature if I was to venture into a particular field. I think the result is a book that sets an agenda for future thinking more than it provides conclusions to the arguments in which it engages. So there are many colleagues and

friends to thank for their contributions. Many have given me important encouragement to finish the work, including Michael Boylan, Georges Enderle, Mike Hoffman, Jim O'Toole, W. Barrett Pearce, Martha Schloss, Brian Schrag, and, most significantly for my life as a writer, my family – Erdmut, Mark, and Kirsten. Others have offered helpful responses to early versions of different chapters or the completed manuscript, especially Steve Piersanti and Mark Brown, as well as Mark Becker, Stan Buller, Dennis Jaffe, Jeff Lustig, Tucker Malarkey, J. D. Moyer, John Moyer, Burkhard Mueller, Julie Nelson, George Scharffenberger, Murray Silverman, Nancy Southern, and Ron Sundstrom. I appreciate the insightful and critical reviews by the anonymous reviewers, and the support and cooperation of Paula Parish, at Cambridge University Press. I am grateful for the work of Rich Clogher, who vastly improved the text through his professional editing. I alone am responsible, of course, for the result of their contributions to this book.

As you will see, an economics of provision begins with the recognition of the actual providers of wealth. It breaks the silence about who really provides for us – the members of our households, the workers who suffer from the misery of exploitation and exclusion, and our planet whose life is now threatened by our consumer culture. Many people have provided for those of us who read and write books, and they have not always been recognized. If we are to civilize the economy, all providers must become visible and their contributions adequately recognized. I would like to dedicate this book to all providers.

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I Introduction: creating a just and sustainable economy

Would you vote for a just and sustainable economy? If a just economy provided for everyone's basic needs and a sustainable economy provided for this generation without compromising the capacity of future generations to provide for their needs, would you vote for that? I think most of us would. So why is our economy so far away from what we desire and, in some cases, moving in a contrary direction? It is because of a mistake – one that will continue to frustrate our efforts to create a just and sustainable economy until we correct it.

Many of us are aware of the mistake, at least on some level. In 1998, Ray Anderson, the CEO of Interface Inc., told an audience that the first industrial revolution was a mistake, in spite of all the good that had come from it.¹ The mistake was that our focus on economic growth had blinded us to the destruction of the natural environment. Instead of "captains of industry," Anderson argued, future generations would see corporate leaders as "plunderers of the earth." People in the early days of the environmental movement or more recent advocates of sustainability have made similar arguments. We are on the brink of bringing chaos to the planet like it has seldom seen before. Al Gore, among others, has worked tirelessly to get us to recognize this "inconvenient truth."²

What is the mistake? In a nutshell, it is to base our economy on property and property relations. In fact, it was the cause of our blindness to the planet's life. Even before the beginning of the industrial revolution, economics had been framed as the production and trading of properties among property owners. This meant that whatever could

¹ Ray C. Anderson, "A Spear in the Chest," lecture at North Carolina State University, February 26, 1998, No. 1.

² *An Inconvenient Truth: A Global Warning*, Paramount Classics and Participant Productions, 2006.

not be treated as property was not recognized as having economic value. The dignity of persons, the attachments of families and communities, as well as the planet as a living system were and are invisible to this economics of property. If we are to protect these living systems from destruction, we must create a new economic framework. The aim of this book is to outline a plan for correcting this mistake. Central to the plan is to create a new story of how we provide for one another: a civic economics of provision.

The current economic story has its origin in the eighteenth century during the Scottish Enlightenment, at the beginning of the first global Atlantic trade between Europe, Africa, and the American colonies. During this period new theories of property and property relations were developed to explain and to justify the Atlantic economy, which involved the enslavement of more than eleven million Africans to supply the labor for the growing economies of the Americas. Slaves, at the time, were treated as property. They received no more sympathy and consideration than cattle or horses. This is a hard truth, but it is the dark stain that continues to influence how many of us think about economics today. The refusal to integrate this history into our views of Anglo-American economic development prevents us from telling the truth about the current destruction of the environment or to acknowledge – really acknowledge – the misery of workers today who provide us our goods. But facing this history is the only way out of the economics of property and into an economics of provision that could save the future for our children and grandchildren.

The economics of property, as it has come down to us over the past three centuries, disconnects the burden borne by the real providers of wealth – Adam Smith’s silence about the role of slaves in creating wealth is a perfect illustration – and leaves society with a belief in the benevolence of the market’s “invisible hand.” (The Appendix contains a more detailed examination of the economics of slavery and free enterprise.) In the following chapters, we will contrast this dissociative economics to the idea of a civic economics of provision. The framework of an economics of provision integrates the three

basic practices of any human community: providing for one another, protecting one another, and creating meaning together.

This view of economics has both classical and modern adherents. In Aristotle, we see the origins of the idea that the economy belongs to the civic sphere. More recently, Julie A. Nelson writes in her book *Economics for Humans* that the purpose of the economy “is about the provisioning of goods and services to meet our material needs ... the way we manage our time and money so we can obtain groceries and shelter and thus ‘keep body and soul together.’”³ Daniel W. Bromley, in his philosophical work on subjective pragmatism, also writes that economics should be about “how societies organize themselves for their provisioning.”⁴ Although neither author uses the notion of provisioning as a major theme, they open the door to such an approach. The real economy, it seems to me, should be evaluated and improved in terms of whether or not people actually are able to make provisions for their families and communities.

Some economists may feel that I am trespassing on their territory, but I am really trying to change our understanding of the territory. The language of trespassing, after all, belongs to an economics of property, which I hope to replace with an economics of provision. Furthermore, we should remember that Adam Smith was a moral philosopher, not an economist. How we envision the economy, in other words, is not so much an economic question as a philosophical question, and, more specifically, an ethical question. Ethics, after all, is about how we should live together. The answer we give to this ethical question will finally determine our understanding of economics.

This book provides a new framework for the global economy that is based on the original meaning of economics – household management. Household management was about making provisions, not accumulating

³ Julie A. Nelson, *Economics for Humans* (Chicago, IL: The University of Chicago Press, 2006), p. 1.

⁴ Daniel W. Bromley, *Sufficient Reason: Volitional Pragmatism and the Meaning of Economic Institutions* (Princeton, NJ and Oxford: Princeton University Press, 2006), p. 180.

We don't need commodities; we need provisions.
 We don't need a large retirement account; we need security.
 We don't need an automobile; we need access.
 We don't need to own a house; we need privacy and security.
 We don't need a big expense account; we need contacts.

FIGURE 1.1 What do we really need?

property. Some groups and organizations are already thinking this way. The commercial carpet company Interface Inc., for example, thinks in terms of providing a service that covers floors rather than being a business that sells carpets as a product.⁵ Interface found that commercial clients do not want to own a carpet, but they do want their floor to be covered nicely. By providing what buildings need, Interface has been able to make its business much more sustainable than it was before. They manage the whole process of making, maintaining, and recycling the floor coverings they offer. Figure 1.1 gives more examples of how a switch from an economics of property to an economics of provision would change our way of thinking – from thinking about products and commodities to thinking about provisions and services.

In our modern economy, of course, making provisions occurs through various systems, such as the transportation system or the health-care system. These systems can be seen as “systems of provision” that could be organized to make provisions for all. How they are organized, of course, is a major question. Many people see only two organizing options: capitalism or socialism. This book offers a third option: a civic option. As citizens, guided by such civic norms as reciprocity, we can engage in civic conversations to turn economic systems toward sustainability and justice. If we are smart citizens, we will not discard things that can work, such as markets and property rights, but we will also not allow them to control our fate.

In a sense, moving from an economics of property to an economics of provision continues the ongoing shift from ownership as the basis

⁵ www.interfaceglobal.com/Sustainability/Our-Journey/Interface-Model.aspx