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Authors

Bevir, Mark

Trentmann, Frank

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Chapter 1

Markets in Contexts: Ideas, Practices, and Governance*

Mark Bevir and Frank Trentmann

Social life requires coordination between individual actions. Coordination can arise intentionally or unintentionally and can take different forms. For much of the previous century, societies across the globe valorized two of forms of coordination – the market and state planning. All too often the market and the state appeared as polar opposites. Proponents of the market portrayed it as a natural and spontaneous form of order in which the free activities of individuals were coordinated for the public benefit by an invisible hand. Proponents of the state, meanwhile, portrayed hierarchical planning as a rational and just form of order in which humans took control of their own activity so as to overcome the irrationality and exploitation of unbridled capitalism. Today, in contrast, we witness increasing doubts not only about each of these visions, but also about the very dichotomy they seem to instantiate. Of course, there still remains a prominent – perhaps even a dominant – neo-liberal discourse that holds to an idealized vision of the market as a spontaneous coordinating mechanism that operates for the public good provided only that individuals are left to exchange freely with one another. Nonetheless, there is also a blossoming “new political economy” that points to the superficialities and blindspots of this idealized account of the market. The new political economy draws on transactional, institutional, and evolutionary economics to argue that all economic institutions, including markets, are necessarily established and transformed in the context of political, social, and cultural authorities.¹ All economies have to be governed through complex patterns of rule that connect and regulate economic actors, organizations, and interactions.

Markets in Contexts is an interdisciplinary volume of essays that addresses questions that arise once we accept the embeddedness of markets. How have various forms of regulation and coordination been imagined and constructed at different times in different societies? How has the understanding of markets by thinkers and social movements been shaped by ideas of political order, social cohesion, and ethics? In what ways have the unfolding and development of modern capitalisms been shaped by ideas and practices exogenous to markets or even critical of them? This volume of essays advances the debate about the embeddedness of markets by shifting attention beyond questions of institutional preconditions and trust to those of ideas, languages, and the alternative visions found within them.

In the first place, this volume is a project of retrieval. The dichotomies of state versus market, or culture versus market, that flourished during the twentieth century had the unfortunate legacy of burying beneath them a rich and fertile history of thought about the place of markets in modern societies. Instead of offering a convenient ideal-typical antagonism between pro-market and anti-market, this volume thus explores the ways in which liberals as well as radicals, conservatives, and nationalists developed ambivalent understandings of the market – understandings that were shaped by intellectual traditions and social practices. To recover this rich, creative imagination, the volume offers original readings of canonical thinkers, like J.S. Mill, J.B. Say and F. Tönnies, while, at the same time, expanding our perspective beyond the canon to the ideas of groups who are all too easily neglected in the literature on markets, such as conservative elites or organized consumers.² To be sure, history is not a simple source of tools for solving current social and political problems. What it can do, however, is to reflect on earlier ideas and practices so as to alert us to different ways of framing markets, helping us to interrogate current wisdom and to broaden the debate about possible forms of governance. For those

interested in reforming or civilizing markets, the new political economy has opened new avenues, such as the Third Way, that seek to avoid the binary of state versus market. As this volume shows, earlier ideas and practices too provide examples of alternatives to that very binary. The past offers a rich variety of ways of connecting civil society, markets, and the state. Greater awareness of these can suggest dilemmas as well as opportunities for the agendas of present-day reformers.

Retrieving the embeddedness of markets in intellectual traditions and social practices opens up the space for the second contribution of this volume: reconsidering the role of agency in the development of modern capitalist societies. If the dichotomy between market and state, or market and culture, acted as one prominent frame of analysis, it was often complemented by another: that between modernity and tradition. A stylized version of the free market, which rendered it as a mode of impersonal coordination typical of modernity, encouraged an equally stylized picture of intimate communal relations that allegedly were characteristic of traditional societies. Such a picture, as anthropologists have observed, obscures both the cultural dynamics of modern markets and the market elements of ‘traditional’ communities.³ It also assigns different social groups a priori positions of agency or passivity in the evolution of modern capitalisms. Peasants and rural elites all too easily became portrayed as bulwarks of resistance to the spirit of modernity, entrepreneurs its engine, liberal political economists its prophets. Even Werner Sombart – who explored the evolution of modern capitalism with a creative breath and depth like no other – found it impossible to resist this sociological equation. While Sombart was keen to stress that economic life was part of cultural life, and while he wrote on the significance of the consumption of luxuries by elites in pre-modern Europe, his definition of modern capitalism as a system driven by a rational and calculating spirit and by hierarchical organization

and decision-making still led him to locate agency with that group of actors who embodied just this spirit: entrepreneurs. ‘If modern economic rationalism is like the mechanism of a clock’, Sombart argued, then ‘someone must be there to wind it up.’⁴ Entrepreneurs spread the principles of economic rationality that gradually came to penetrate society in the age of *Hochkapitalismus* or ‘full capitalism’ (1760-1914): ‘“the driving force” in modern capitalism is thus the capitalist entrepreneur and only he,’ for he is the ‘only “productive”, that is, creative force,...[since]labour and capital are dependent on him and only called to life through his creative action.’⁵ In Sombart’s account of the evolution of capitalism, other social groups thus played the role of passive human resources who were rearranged and organized to fit the demands of entrepreneurial rationalism.

Although Karl Polanyi’s work approached modern capitalism from a very different theoretical perspective, and although it was equally critical of Marxism’s economistic fallacy and liberal narratives of the supposedly inevitable rise of markets, nonetheless it too illustrates the pervasiveness of an action-reaction model in the social sciences. In Polanyi’s view, the dynamics of modern society derived from a ‘double movement’: the movement of an expanding market was met by a countermovement of social protection. Social movements and visions of social solidarity emerged to contain and reform market society, but they were not present at its birth, which was the result of mercantilist policies and liberal ideology. Here again, we thus find the conceptual separation of ‘the principle of economic liberalism, aiming at the establishment of a self-regulating market, relying on the support of the trading classes’ from ‘the principle of social protection aiming at the conservation of man and nature’,⁶ relying primarily on the working and landed classes. This conceptual separation privileges an action-reaction account of causation in which markets and their sponsors come first, and concerns about social protection and their

supporters come only later. While Polanyi's general outlook was holistic and highlighted the dominance of the social, in which the economy was embedded, his passionate dislike of market society led him to portray its development as a negative deviation, a process of disembedding, to which social protection was an organic countermovement.

There are problems with such a sociological division between ideas of social coordination. Liberals were not necessarily prophets of a 'modern' society in which a depersonalized market acted as the principal form of social coordination; rather, they could care about the conservation of man and nature. Likewise, peasants and rural elites were not necessarily bulwarks of tradition. Just as for liberal actors we can reclaim alternative visions of modernity, so for conservative elites and groups at the bottom of society. The question was, for all these groups, not simply one of support or resistance to markets but about how markets should be embedded within social and political contexts. Social groups and intellectual traditions that were ambivalent about markets also helped to shape the contours and dynamics of capitalist societies. Once we look beyond the market as an endogenous model of capitalist rationality, we quickly find other sources of modern rationality, such as science or communication, which were available to innumerable social groups, including peasants. Likewise, to shift our gaze from the early stages of modern capitalism to the end of the twentieth century, we should ask how inherited social infrastructures and cultural beliefs continue to shape – not just to resist – the dynamics of global capitalism, as this volume does in exploring consumer politics, responses to marketisation in India in the 1980s and 90s, and the social connectivity that underlies the local centres of the global capital market today.

Together, the essays collected in this volume thus seek to reembed markets as ideas and practices of social coordination within their political, social, and cultural contexts. The essays

contribute to a dialogue between historians and social scientists about how to recontextualise markets, past and present. While individual chapters show the strengths of particular disciplinary approaches, they also converge around related questions of embeddedness that point to a shared conceptual approach. Questions of embeddedness shift our attention from questions about the good or evil nature of markets to questions about economic governance. In what follows, therefore, we want to cut a pathway through the historiographical and theoretical underpinnings of the turn to economic governance. Economic governance, we suggest, has arisen as an important interdisciplinary concern across the human sciences ranging from cultural historians and constructionist institutionalists to poststructuralists and democratic pluralists.⁷ Several theoretical and substantive positions are shared by most of these varied approaches to economic governance: a concern with meanings or beliefs as constitutive of social and economic practices, an interest in the plurality of historical sites, an emphasis on contingency and context, and a recognition of the role of critique in the formation and development of modes of economic governance. The chapters in this volume offer historically informed explorations of these themes. One general implication that emerges is the centrality of agency. We want to suggest that a more satisfactory incorporation of human agency might strengthen yet further the study of economic governance. The concept of economic governance promotes, more generally, alternative narratives, modes of inquiry, and political practices to those that characterize neoclassical economics and its extensions in public choice theory.⁸

The Turn to Governance

Political scientists, historians, and theorists have turned to governance for several overlapping reasons. Political scientists turned to the concept to describe changes in the state.⁹ Globalisation,

information technology, and the end of communism, they argued, have inaugurated new times. Socio-economic processes have sped up the pace of change, made fluid what once were established boundaries within and between organizations, and increased reciprocal interdependence. The result has been a shift from government to governance or a hollowing out of the state. In this view, a new semi-sovereign type of state has emerged whose authority has been eroded internally and externally so that it can act only in conjunction with other organizations within interdependent networks. Hence, attention shifts from the formal institutions of the nation state to processes of governing or steering,¹⁰ processes that often occur at the boundary between state and civil society, both at local and transnational levels. The resulting literature on governance has drawn on the sociological literature that conceptualizes networks as an alternative form of coordination to both hierarchies and markets.¹¹ Contemporary governance is characterized, in this view, by the state operating in and through networks. This concern with governance as networks within civil society challenges too strict a dichotomy between state and market. Neither the state nor the market stands as a separate, self-defining institution. Rather, both are entangled in broader patterns of rule within civil society. And both arise as the intended and unintended consequences of collective choices in history.

Institutionalism and decentered theory have provided political scientists with ways of exploring patterns of governance conceived as historical products of collective choices. On the one hand, institutionalism highlights regional and historical variations in such choices and their legacies: it leads to an exploration of the different ways in which various markets are governed through hierarchies, networks, and other forms of power at the boundary of the state and civil society.¹² On the other hand, decentered theory provides political scientists with a means of

relating the form and trajectory of institutions to micro-level accounts of individual beliefs, desires, and actions.¹³

The revival of interest in civil society since the 1970s has also led democratic theorists to turn to governance as a way of breaking down the dichotomy between state and market. Civil society offered democratic pluralists a site for associations that could embody a richly textured social life while also constituting a buttress against hierarchic control from above, such as during the velvet revolutions in Eastern Europe.¹⁴ More recently, the idea of a global civil society has sought to capture an expanding supranational network of governance in which social movements interact with business and government.¹⁵ Finally here, there has been a debate about the extent to which the cultural components of civil society – sociability, toleration, civility, and even exclusiveness – exist in creative tension with the market.¹⁶ Far from being a spontaneous type of order, liberal market economies arose as embedded within the context of particular types of civil society, which were themselves a contingent product of European history. Nonetheless, once market economies arose, the virtues, vices, and habits they inculcated within people could pose a threat to the pluralistic culture of civil society. Here, too, then, governance provides a way of discussing the embeddedness of markets and the state in civil society.

The post-structuralist turn to governance and governmentality began through an interest in techniques of disciplining societies in the early modern period. Michel Foucault highlighted the exploration and deployment of specific rationalities applied to nations, families, populations, trade, and prisons.¹⁷ For Foucault, too, the activity of rule had no natural or spontaneous form; rather, it had to be invented and learnt through discourses and regimes of power. Poststructuralists since have gone on to explore the arts of governance in areas such as security, insurance, social economy, drainage, and self-help.¹⁸ These theorists too challenge the

dichotomy between state and market. They highlight the technical character of liberal governmentality and point to its creation out of non-liberal practices of rule. Governance thus refers, once again, to a politics beyond the formal institutions of the modern nation-state, a politics located at the boundaries of the state and civil society, a politics in which power operates in and through a vast network of organizations, actors, and systems of knowledge.

Historians' interest in governance has grown from two principal sources: contextualism and culturalism. Contextualists, especially Quentin Skinner, did much to shift intellectual history from being concerned with the philosophical arguments of canonical texts to an interest in the discourses, concepts, and ideologies that made possible social or political formations.¹⁹ They recovered the historical contingency of the modern nation state as a form of governance that arose out of unconnected, fragmented debates about diverse practices of governance often within civil society. The contextualists also recovered a republican tradition which argued that people could be free only as active citizens within a free state.²⁰ Whereas liberals equate freedom with the absence of constraint whether in a democracy or a polity ruled by a benign dictator, republicans believe that liberty could exist only when people rule themselves and thereby avoid dependence on others. Although the contextualists are prone to suggest that republican concerns disappeared with the rise of liberalism, a more plausible view might be that these concerns have continued to echo in many of the radical and democratic struggles of the nineteenth and twentieth centuries – struggles to attain greater popular control over governing institutions in the economic and social spheres as much as the political one.²¹ From this perspective, the republican tradition too raises questions about democratic participation and governance from below.

Social history has been more immediately affected by many of the changes lying behind the general turn to governance in the social sciences. The political successes of the new right and debates about globalisation undermined the orthodox narrative of social history in which the working class arose inexorably out of the industrial revolution to attain influence over the relations and conditions of production through the state.²² The search for a new narrative has led many social historians to a culturalism – an interest in language and meaning – that touches on questions of economic governance. Instead of a narrative of the emergence of class and welfare state, historians have retrieved non-class identities and visions and practices of social coordination and integration that looked outside the central state, such as idealist ideas about social relations or consumer politics anchored in civil society.²³ There has also been a recovery of alternative visions of modernity and capitalist development, often by groups who had previously been cast as atavistic survivors, such as peasants, gentry, guilds or evangelical Christians.²⁴ Finally, social and political historians have built on the rediscovery of ‘republicanism’ by intellectual historians and highlighted the continuing appeal of early modern ideas of governance and coordination in the modern period.²⁵

Political scientists, theorists, and historians have thus turned to governance from overlapping perspectives. Governance refers, in very general terms, to an account of social coordination in terms of the ways in which disparate actors within civil society come together in networks by means of dialogue and a sharing of resources. We might add that even when the resulting forms of coordination are a hierarchical state or market, they still should be examined as contingent historical products of just such a coming together. Indeed, how precisely any particular state or market operates will depend on how it is governed by a host of beliefs, discourses, practices, and institutions. Interest in economic governance thus raises a set of

distinctive questions which are taken up by the essays in this volume. These essays examine the embeddedness of capitalism in social networks, the role of political ideas in shaping economic governance, and the tensions between ideas of social coordination and markets.

Embedded Markets: Networks, Traditions, and Ideals

Should we think of the modern and contemporary period in terms of an increasingly autonomous, self-sustaining market? The chapters by James Livesey and Saskia Sassen provide the bookends for the volume's exploration of how markets, as ideas and practices, have been socially embedded and continue to be so. Livesey, a historian, provides a fresh look at the social networks cultivating modern rationality during the crucial breakthrough of modern capitalist society in the eighteenth century.²⁶ Sassen, a sociologist, asks to what degree globalisation has led to a qualitatively different regime of markets and examines the social infrastructure that undergirds the global capital market.²⁷ While eighteenth-century Irish and French rural society is in many ways worlds apart from today's international financial elite moving between New York, Tokyo, and London, it is possible to highlight common elements of social networks, cognition, and knowledge-creation that condition capitalism during these two pivotal moments of its development.

If Livesey's chapter is a direct challenge to the dichotomy of modern market versus culture or tradition, its originality stems from rethinking the relationship between the two from the perspective of the latter. Rather than identifying the cultural workings of the market, he turns to eighteenth century France, Scotland, and Ireland to reveal the development of modern rationality out of the bosom of rural society. Instead of working with a standard divide between market economy and household economy, Livesey turns to alternative networks of socialization

and knowledge-creation -- the agricultural societies -- to reveal how rural society became one source for the emergence of modern standards of rationality. Modernisation depended on a 'subaltern knowledge' that was generated by farmer scientists and peasants who were interested in improving practices and in the new language of botany. Instead of viewing innovation and capitalist development as the outgrowth of an unfolding, increasingly autonomous market, or reducing it to state action or bourgeois interest, Livesey argues for a more deep-seated cultural transformation in rural society that favoured a switch to modernity.

The role of social connectivity in the creation and maintenance of new technologies and practices of capitalist societies is a theme that also runs through Sassen's discussion of global capital markets at the present time. Global capital markets are, of course, nothing new.²⁸ Yet, as Sassen shows, the new information and communication technologies that have propelled the digitization of international finance have also created an altogether new type of market distinguished by material size and diversity (pension funds, hedge funds), global interconnectedness, and spatial organisation. The interesting question is why, after a decade of deregulation, the global financial sector has not dispersed but consolidated its activities in a limited number of centers, led by New York, Tokyo, and London. Sassen's answer unpacks the social, cultural, and institutional dimensions that have favoured this geographic concentration and in which global capital markets remain embedded. Far from being an increasingly disembedded global market, the financial industry depends on these global cities for a social infrastructure of human resources and interpretive knowledge, consolidated electronic networks, and a 'denationalised' cultural framework of interaction and sociability. Put differently, the technological transformation of capitalism through digitization has strengthened (not loosened) the social and geographic embeddedness of markets. It is precisely because of its global and

electronic features that the market for capital today depends on the systems of trust and social networks contained within each financial center to negotiate the speed and size of transactions: it might even seem that the more the electronic market for capital approximates the mode of the depersonalized market ruled by supply and demand forces, the more it becomes dependent on social networks and the thick environments of financial centers.

Such empirically grounded demonstrations of the embeddedness of markets are challenges to economistic reasoning and public choice theory and inevitably raise the question of how the market acquired its appeal as a mode of economic governance. How did people wrestling with questions of governance view the market as modern capitalisms expanded? The conventional answer is to draw a straight line between the evolution of the science of political economy and the liberal celebration of *laissez-faire* in the nineteenth century. As the chapters by Whatmore, Eastwood, and Schäfer show, such a perspective runs the risk of being teleological, reading backwards from latter-day ideas about markets to the historical development of political economy, thus obscuring the alternative ways in which historical actors approached markets. More than anything, it was political ideas and considerations of political governance that shaped the reception of markets.

Whatmore's chapter effectively rewrites the narrative of liberal political economy during and after the French Revolution.²⁹ The hope pinned on markets as a policy and system of coordination, he shows, depended on contemporaries' understanding of politics, both in terms of what was meant by good government and what was seen to be the nature of geopolitics. Political economy did not emerge as the triumph of scientific reason over reactionary ideas. Instead of a presumed affinity between liberal politics and political economy, the new science was deeply divided by two rival conceptions of government: modern republicanism versus democratic

republicanism. Benjamin Constant and Jean-Baptiste Say are reread by Whatmore to reveal the tensions between these two traditions, the first embracing a modern-day republic with a state defending equally the interests of its members, the second favouring a more democratic system in which the people would play a more active role in making laws and governing the economy. Political economy, and the discussion of markets, was part of a larger competition between rival projects of building republics. The sponsorship of laissez-faire and free trade, then, has to be understood from within the democratic republican project. For Say, political economy, and its defense of markets and commerce, was not some timeless, universally valid science about the creation of wealth; rather, it was attractive as a particular stage in the historical project of creating representative government. Democratising the political sphere required democratizing the economy. Political economy would educate citizens. Without this education, Say feared, markets would be corrupted. As Whatmore observes, ‘Say had no faith in the “hidden hand”’.³⁰

The merits of markets, moreover, was debated within a geopolitical context of power. Here the British model of development provided the litmus test. The different visions of government between Say and Constant were reinforced by opposite understandings of British society – for Constant it was a model republic, for Say it was an Empire where markets were dominated by the elite for the elite. For Say, markets in oligarchic Britain were necessarily a sham, but this did not undermine his populist belief that markets could moralise society. For Constant, by contrast, markets did not possess civic capital, and indeed could threaten the disinterested spirit of liberty with a selfish mentality; religious belief was a necessary antidote. Political economy thus ultimately remained divided in its assessment of markets because of opposite assessments of the democratic potential of human actors to govern their political and economic environment.

How political traditions construct alternative understandings of markets is also the theme of David Eastwood's discussion of a neglected chapter in the history of political economy in its formative phase in Britain in the first half of the nineteenth century.³¹ Rather than approaching the subject from the better-known center of liberal economics, Eastwood proceeds from the margins, taking another look at Tory writers, who have all too easily been written off in Whiggish accounts as backward, romantic traditionalists incapable of grasping the rationality of the new science. High Tories, he shows, did not turn their back on economics and retreat into morals; rather, they worked out an increasingly sophisticated argument about the embeddedness of markets. Markets here were decentred, not autonomous. Organic metaphors helped to subordinate markets to the service of moral and political ideals. Tories like Sadler and Southey contributed to the analysis of what came to be called 'market failure'. The high Tory argument emphasized, in particular, the imperial nature of markets and the social and constitutional dangers of privileging a free market model. Although this argument would lose in party politics once the Tories led by Peel accepted free trade in the 1840s, it anticipated in several ways future trends, not least by articulating an alternative monetary policy (bimetallism) and support for public work schemes.

The question of how markets are fitted into organic views of society and politics is broadened further by Schäfer's chapter, which explores the transnational transfer and reception of ideas between different societies and reform traditions.³² American progressivism drew heavily on German historical economics in the late nineteenth and early twentieth centuries. Yet, it ultimately produced an original configuration of economics and ethics working from within an indigenous project of radical democracy. The German historical school, Schäfer shows, provided progressive thinkers in America with a substantive critique of classical liberal economics.

Markets were historical not universal – a view that favoured an organic analysis of state and society and that downplayed a liberal rights-based view of individual citizens. Yet, instead of following the paternalist direction of their German teachers, American progressives connected this historicist and organic understanding of capitalist society to a democratic project of broadening public participation. Schäfer's essay offers a good illustration of the interpretive limitations of presuming a dichotomy between state and market. American social thinkers were attracted to urban reforms in the hope of expanding public arenas for democratic action. At the same time, Schäfer argues, the American translation of German historicism left progressivism with the difficult legacy of seeking to reconcile two quite different strategies for civilizing market society: participatory industrial democracy and distributive social welfare.

Throughout the twentieth century, organized consumers have often been at the forefront of attempts to civilize the market. As the chapter by Maclachlan and Trentmann on consumer politics in America, Japan, and Britain shows, economic reform projects were developed within the context of particular traditions.³³ Here the emphasis on the embeddedness of markets is connected, once again, to an argument about agency and a consequent skepticism toward economic essentialism and narratives of global convergence. Consumption and citizenship have often been intertwined projects, but these have been put together with different meanings in different political contexts, and thus with different policy implications. Maclachlan, a political scientist, and Trentmann, a historian, distinguish between the vision of free trade and civil society dominant in early twentieth century British consumer movements, a labour-oriented vision of ethics and rights in America, and the national life-style culture of early Japanese movements. These traditions were not written in stone but mutated in dialogue with changes in political economy and political culture. In contrast to a narrative that presents contemporary

consumer activism as a response to a global convergence around neo-liberalism, Maclachlan and Trentmann emphasize that consumer movements also contributed to the development of political economy and argue that their reform imagination remains rooted in different political discourses. Consumer politics was most influential where it was able to work with the grain of civic ideas. British Free Trade and the American New Deal are significant examples of this - organised consumers underwrote these political projects. In Japan, by contrast, the prominence of producer, nationalist, and state-oriented thinking made for a more subordinate role for consumer movements. The recent resurgence of consumer politics has been strongest where it has developed out of national debates over how best to strengthen citizenship and civil society, such as in Britain, where 'the consumer' in the 1980s and 1990s was re-energised in political debates about social services and civic participation.

How the success of neo-liberal reforms remains dependent on historically inherited popular understandings of the market is examined in greater detail in Rob Jenkins' discussion of political legitimization and economic reform in India in the 1980s and 1990s.³⁴ Complementing Maclachlan and Trentmann's attention to the shifting meanings of the consumer, Jenkins highlights how current understandings of 'the market' remain contested within divergent traditions of Indian politics. Jenkins, a political scientist, distinguishes between a first wave of neo-liberal policies and the long-term success of establishing a neo-liberal culture of the market. The neo-liberal image of the market had to compete with older associations of the market promulgated in movement politics, the Hindu temple movement (*Mandir*), and the subaltern politics of *Mandal*. These movements drew on the different ideas associated with *swadeshi* ('of one's own country') popularized by Gandhi at the beginning of the twentieth century. Attention to the ways in which the debate about markets remains embedded in inherited traditions has

political implications and alerts us to the contingency of future neo-liberal policies. In the long run, the success of neo-liberal market politics, Jenkins concludes, will depend on who wins in the battle between competing versions of *swadeshi*. More generally, the Indian example illustrates how we can only understand the particular paths carved out by liberalization by situating global market politics firmly within local settings of traditions and practices which both compete with neo-liberalism and translate and mould the meanings of markets in political debate.

If the above discussion moves beyond a stark analytical dichotomy between market and state, thinking about governance also does well to interrogate any presumed dichotomy between economics and ethics, market versus culture, or *Gemeinschaft* und *Gesellschaft*. These polarizations have been an influential source of legitimation for many social projects and socialist reform traditions in the twentieth century, often linking them to other organic visions of political economy that incorporated ethical and social concerns. The chapters by Winch, Haupt, and Harris recover three important earlier debates about subjects that continue to be of political significance to-day: the relationship between economic growth and environment; the relationship between markets and associations; and the relationship between community and civil society. As much of the current thinking about markets continues to employ idealized and simplified images of canonical ideas and their authors, a critical re-reading of their thought is an essential step both to broadening the terms of contemporary debate and to alerting us to dangerous cul-de-sacs.

Few contrasts have dominated images of political economy as much as that between J.S. Mill and John Ruskin, who are frequently paired to illustrate the widening gulf between the traditions of market and culture in the modern period. Yet, as the chapter by Donald Winch, the doyen of the history of economic ideas, reveals such a contrast not only does injustice to Mill but also obscures the way in which a critique of the market continued to be generated from within

the emergent science of economics, not just from its critics outside it.³⁵ Reading against the established grain of the canon, Winch shows how Malthusian anxieties shaped Mill's thinking about growth and sustainability. Mill's view of the environmental limits of market societies were central to his vision of a stationary state or zero-growth society. In the generation after Mill, Alfred Marshall's ethicised liberal economics responded to Ruskin's romantic critique. Rather than being polar-opposites mutually sealed off from each other in rival universes of ideas and politics, liberal economists and their romantic critics in the Victorian period thus participated in a debate about the consequences of capitalism for the natural world and social relations. What changed in the course of professionalisation at the turn of the twentieth century was the question. Instead of Mill's neo-Malthusianism and Wordsworthian outlook, welfare economics now turned to a cost-benefit analysis of environmental damages.

Throughout the modern period, discussion of the costs and benefits of markets have been inextricably entwined with the question of guilds as alternative models of social organization. The changing moral and political attraction of the guilds in nineteenth-century France and Germany is the focus of Heinz-Gerhard Haupt's chapter.³⁶ Haupt explores an interesting paradox in the changing salience of guilds. In enlightenment and revolutionary discourse, the guilds had been branded as bulwarks of tradition and backwardness. Their effective abolition in France and Germany during the revolutionary years was followed, however, by a renaissance of guild ideas during which guilds were presented as pillars of organic community, stability, and religious order. Yet, as Haupt shows, the broad liberal support for guilds as a way of taming market forces was not a fixed component of national traditions. On the contrary, in the late nineteenth century, Emile Durkheim and Otto von Gierke developed ideas of corporation and association in different directions. For Durkheim guilds and corporations were not part of a reactionary project, as

sometimes believed, but rather building blocs of modern democracy, generating social inclusion and feelings of mutual solidarity. Gierke, by contrast, broke with earlier German traditions and came to view guilds as stumbling blocs to the creation of a community that could overcome a dichotomy between the individual and the state. Here the critique of markets went hand in hand with a suspicion of guilds as limiting the free will of association and as relying too heavily on the state. As Haupt reminds us, it is too simplistic to write off these ideas of community and corporation because of their subsequent link with fascistic movements.

In the last two decades, ‘civil society’ and ‘communitarianism’ have reemerged as two dominant languages of reform that seek to overcome the dichotomy between state and market, and the totalizing ideologies that came with it. At times, civil society and community have become fused. Yet, as Jose Harris’ chapter makes clear, there are considerable dangers in losing a sense of the ideological differences between the two concepts. She returns to F. Tönnies’s seminal work on *Gemeinschaft und Gesellschaft* both to reinsert some useful distinctions between civil society and community into the current debate and to issue warnings about their respective potentials as strategies for reforming market societies. Tönnies has been frequently used as if he discussed a chronological transition from traditional community to modern civil society. Instead, Harris shows that he was arguing in Kantian fashion for the simultaneous presence at all times of these formations, and their respective values, forms of consciousness, and will. While the balance between the forces favouring community and those favouring civil society shifted, it is a fallacy to equate the rise of markets with a turn away from ‘archaic’ community to ‘modern’ civil society. Harris’ rereading of Tönnies’s two systems of thought and social organization reveals the dangers of presuming an elective affinity between community and civil society, as do so many current discussions on both sides of the Atlantic. Rather, community

and civil society stood in tension for Tönnies who stressed the different scope and quality of each. Community fostered intensive feelings of limited range; civil society fostered thinner emotions but with more universal range.³⁷ The first requires exclusion; the latter is more inclusive and tolerant. Mixing the two in social policies that fuse community and civil society may be counterproductive. What is more, to rely on either as a way of taming the globalisation of markets might prove to be naïve since Tönnies' analysis suggests that community is too weak, and civil society is too complicit in market processes, for either to become a successful instrument of reform. These may be sobering conclusions for current advocates of community or civil society, but the reintroduction of such analytical and ideological distinctions will undoubtedly help to sharpen the present debate about what are effective ways of governing markets and their moral and social underpinnings and implications.

These explorations of the embeddedness of markets raise interesting questions about the changing power of the market as a mode of governance in the modern period. As any student of modern history will know, the market as an ideal and system of social coordination expanded with radically different speed and force in different societies, ranging from liberal societies to nationalist regimes and socialist groupings. Where markets were most successful in expanding this was not simply the result of some inexorable material force or because of the lack of some bulwark provided by some 'traditional' alternative system of social coordination. Markets needed a fertile soil of supporting traditions. Even (or perhaps especially) in more liberal societies, the success of the market, as an idea and as instrument of governance, depended on its ability to fit into traditions, such as radicalism. Markets were embraced and liberal political economy could be buttressed where historical thinkers and movements, like Say or the cooperative movement, could accommodate markets within broader visions of democracy and

civil society. Markets, in other words, lacked the threat of social disintegration and anemie in settings where social and political beliefs predicted their full force would be tamed by alternative systems of coordination, such as civil society. Rather than seeing markets as the outgrowth of an advancing differentiation of social spheres, the emphasis thus falls here on their organic embeddedness in social networks and traditions among liberals and critics of liberalism alike. Here is an important contrast to the current dictum that the discipline of the market is inescapable. Even in the current climate of neo-liberalism, the persistence of social networks (as in global capital markets) and the persistence of national traditions (as in India with swadeshi) mean that the understanding of that ‘discipline’ and available strategies of managing markets are interpreted differently.

Attention to the role of beliefs and traditions in the way in which markets are supported, moulded, and resisted raises questions about the unintended consequences of such beliefs and traditions for the evolution of modern capitalisms. To invoke the contribution of traditions to the particular shape of political economy in different societies is not the same as to attribute historical responsibility. When organized consumers in Edwardian Britain stood up for free trade, this does not mean they should be held responsible for all the subsequent domestic and global consequences of free trade. What it does do, though, is to focus attention on the ways in which the different make-up of traditions favours particular strategies of governance over others, and can be more or less effective in moulding the path taken by modern capitalism. Thus, in the United States in the early twentieth-century, for example, the internal make-up of a progressive tradition produced contradictory signals as to how to deal with consumer demand and industrial democracy and so ultimately disabled itself as a viable reform strategy.

Theorising Economic Governance

Governance draws our attention to the construction of economic orders out of various beliefs, discourses, practices, and institutions. The chapters in this volume adopt what we might call an interpretive approach to governance. They focus on meaning and culture as embedded in actions, practices, and the historical patterns of coordination that they generate. We want to turn now from the particular to the more general assumptions and perspectives of this interpretive approach to governance. While there are differences between them, the essays in this volume share a number of broad positions concerning meaning, the plurality of historical sites, and the contingency of social life. They, firstly, take seriously the beliefs or meanings that are embedded within forms of governance: Constant viewed markets through the lens of a particular republican tradition; the tradition of *swadeshi* informs Indian social movements' understanding of market reforms. Secondly, they see practices as arising out of actions, where we can adequately grasp actions only in terms of the beliefs or meanings that animate them: farmers and peasants were not pushed into modernity by external forces but entered by developing new forms of knowledge; consumers do not spring into political action because some innate material nerve is touched, but because of certain beliefs that interpret individual interests into collective notions of civil society, nation, or fairness. Interpretive approaches thus follow the everyday practice of explaining actions by reference to the beliefs and desires of the actors. Indeed, what distinguishes interpretive approaches to governance is an insistence on bringing this everyday form of explanation into the human sciences. Positivist approaches often suggest that a certain institutional location or class membership defines the beliefs and desires that prompt people's actions. Interpretive approaches characteristically deny this on the grounds that there are no pure

experiences so people's beliefs and desires cannot be derived from given facts about the world without any concern with how people construct these facts.³⁸

Interpretivists share related emphases on the contingency of social life and the plurality of historical sites in which governance is created. A rejection of pure experience implies that people in the same situations could hold very different beliefs if only because their experiences of the situation could be laden with very different prior theories: we cannot assume that people in similar social situations will act in a uniform manner. Any abstract concept, such as a class or an institution, thus cannot properly explain people's beliefs, interests, or actions; rather, it can represent only an abstract stand-in for the multiple and complex beliefs and actions of the individuals we classify under it.³⁹

Once we accept that people in any given situation can interpret that situation and their interests in all sorts of ways, we are pressed also to accept that people's actions – how they respond to any given situation – are radically open. That is to say, no practice or institution can itself fix the ways in which its participants will act, let alone how they will innovate within it in response to novel circumstances. Hence, our norms and practices are contingent, lacking any fixed essence or logical path of development.

Through their sensitivity to meanings, the plurality of historical sites, and contingency, interpretivists can play an important role in historicising economic governance. Positivists sometimes suggest that the emergence of networks is a new phenomenon characterizing a new epoch in which the state stands powerless before an interdependent global economy in contrast to earlier times when an all-powerful state undertook all governance.⁴⁰ Interpretivists, in contrast, treat hierarchies and markets as meaningful practices that are created and constantly recreated through contingent actions informed by diverse webs of belief. The allegedly new and special

characteristics of networks are also present in hierarchies and markets. The establishment and operation of markets and free trade depends on contingent interactions of interdependent producers and consumers who rely on trust and dialogue as well as on economic rationality.⁴¹ Likewise, the commands of a hierarchic bureaucracy do not have a fixed form but rather are constantly interpreted and made afresh through the creative activity of individuals. Once we stop reifying hierarchies and markets, we find that many of the allegedly unique characteristics of contemporary governance are ubiquitous aspects of social coordination, so we can explore governance in history as well as governance today.

Interpretivists highlight the diversity of the possible forms of economic governance. They are skeptical of claims about the uniformity or universality of particular modes of governance. Positivists sometimes portray governance as being composed of policies, such as marketization and the new public management, which are themselves allegedly the inexorable outcomes of global economic pressures. Interpretivists, in contrast, suggest that these pressures, far from being given as brute facts, are constructed differently in various traditions. They thereby infer that the policies and outcomes of governance can vary considerably even within allegedly monolithic contexts such as the new global economy. They are wary not only of any historical dichotomy between governance and earlier state formations, but also of any attempt to use the abstract idea of governance to account for particular developments in particular states. The relevance of an omnibus concept of governance depends upon empirical studies that explore the ways in which social coordination is achieved.

Finally, interpretivists highlight the contested nature of modes of governance, and the role of critique within their trajectory. Positivists often adopt an action-reaction model of governance and critique: having portrayed governance as an inexorable product of socio-

economic forces, they reduce critique to a post-hoc reaction to it. Interpretivists, by contrast, regard social critiques and movements as constitutive elements of the clusters of actions and practices that constitute any given mode of governance as it operates in and through aspects of civil society. Governance and critique are not opposites; rather, they are interwoven processes, deeply implicated in the evolution of one another.

The essays collected here highlight the historicity, diversity, and contestation of modes of economic governance. To understand modes of governance, they argue, we have to take seriously the constitutive role of meanings and beliefs, the diversity of historical sites and groups, and the contingency of social life. This shared framework, however, is a very broad one that leaves a number of questions unanswered.⁴² Two theoretical issues stand out, namely, the composition of governance and the recentering of governance. It is arguable that poststructuralists have made almost all the running among interpretivists who are interested in addressing these theoretical issues. It is also arguable, however, that poststructuralist responses to these issues are at best ambiguous and at worst mistaken.

Interpretivists agree on the need to approach governance through a study of the meanings that inform it. Yet, they are not always clear about the nature of these meanings. Sometimes the relevant meanings appear to exist as quasi-structures that possess an immanent logic or respond to random fluctuations of power.⁴³ At other times meanings are understood in subjective terms as the intentions or beliefs of individuals, which suggests that the concept of a discourse or language refers only to intersubjective conventions or understandings.⁴⁴ The question here is, should we conceive of people as agents or as passive constructs of social discourses? A sharper distinction between autonomy and agency is helpful. Autonomous subjects are able, at least in principle, to have experiences, reason, adopt beliefs, and act, outside of all social contexts. In

contrast, although agents are able to reason and act in novel ways, they might be able to do so only against the background of social practices that influence them. Although interpretivists are increasingly wary of the idea of autonomy, then, they need not also reject agency. Rather, they could accept that people always set out against the background of a social inheritance, and still conceive of them as agents who can act and reason in novel ways so as to modify this background.

Interpretivists' curiosity about a plurality of historical sites encourages a focus on the multiplicity of conflicting actions and micro-practices that come together so as to create a contingent pattern of rule. Yet the more we emphasise the contingency and particularity of meanings and practices, the harder it seems to become to explain them by reference to a broader logic or social process. Interpretivists might usefully recenter their theories of governance by drawing on the contrast between agency and autonomy. To reject autonomy is to accept that subjects only experience the world in ways that reflect the influence upon them of a social background. Hence we need aggregate concepts that indicate how social influences permeate beliefs and actions even on those occasions when the speaker or actor does not recognise such influence. To allow for agency is, however, to imply that these aggregate concepts also need to allow that people possess the capacity to adopt beliefs and actions, even novel ones, for reasons of their own. We would suggest, therefore, that interpretivists might be well advised to think of the social context in terms of traditions rather than discourses: after all, the concept of a tradition implies that the relevant social structures are those in which subjects are born and which then act as the background to their beliefs and actions while also allowing for the possibility of their modifying, developing, and even rejecting much of their inheritance. As an explanatory concept,

tradition has the advantage over discourse that it allows properly for agency and so provides a way of thinking about change.

Positivists often present a mode of economic governance as necessary; they imply that we are compelled to adopt or contemplate only a limited range of modes of governance by inexorable historical or social forces, the dictates of a universal reason, or even human nature itself. Globalisation, for example, appears in many narratives as an inexorable social process that requires states to adopt liberal reforms.⁴⁵ In contrast, interpretivists think of modes of governance as products of agents modifying the traditions they inherit in response to problems.⁴⁶ Any mode of governance is contingent and contestable in that people from within other traditions might construct the problems differently, and in that there are no inherently correct responses to problems even when they are defined in the same way. When interpretivists portray modes of governance as contingent and contestable, they engage in a critical activity. In the first place, they challenge the self-understanding of those who expound such modes of governance; they reveal to them the contingent, historical conditions of their beliefs, thereby undercutting the notion that these beliefs are necessary. In the second place, they thus open up the possibility of alternative narratives, actions, and practices; they give us, as a society, the opportunity to govern ourselves differently; they free us from the dominate modes of thinking and acting that define our current practices of governance. The following essays are a contribution to this project.

*We should like to thank contributors for helpful comments and suggestions

¹ For important statements of these overlapping strands of economics see respectively O.

Williamson, "Transaction-Cost Economics: The Governance of Contractual Relations", Journal

of Law and Economics 22 (1979), pp. 223-261; A. Shonfeld, Modern Capitalism: The Changing Balance of Public and Private Power (Oxford, 1965); and R. Nelson and S. Winter, An Evolutionary Theory of Economic Change (Cambridge, MA, 1982). A recent philosophical critique of the rationality of the market system is J. O'Neill, The Market: Ethics, Knowledge, and Politics (London, 1998).

² For critical surveys of the canon of modern social thought, see R. J. Holton, Economy and Society (London, 1992), and D. Slater & F. Tonkiss, Market Society: Markets and Modern Social Theory (Cambridge, 2001).

³ A. Appadurai, "Introduction: Commodities and the Politics of Value", in A. Appadurai, ed., The Social Life of Things: Commodities in Cultural Perspective (Cambridge, 1986), pp. 3-63.

⁴ W. Sombart, "Capitalism", in E. R. A. Seligman & A. Johnson, eds., Encyclopedia of the Social Sciences, vol. III (New York, 1930), p. 205.

⁵ W. Sombart, Der Moderne Kapitalismus: Historisch-Systematische Darstellung des gesamteuropäischen Wirtschaftslebens von seinen Anfängen bis zur Gegenwart, vol. III: Das Wirtschaftsleben im Zeitalter des Hochkapitalismus (München, 1927), pt. 1, p. 12; editors' translation. Of course, agency was not parcelled out equally amongst entrepreneurs. Only a few and diminishing group of businessmen had the creative genius to act as the 'Führer' of capitalism over time.

⁶ K. Polanyi, The Great Transformation: The Political and Economic Origins of Our Time (Boston MA, 1957), p. 130. See also F. Block & M. R. Somers, "Beyond the Economistic Fallacy: The Holistic Social Science of Karl Polanyi", in T. Skocpol, ed., Vision and Method in Historical Sociology (Cambridge MA, 1984), pp. 47-84.

⁷ The insights of the new political economy apply not only to the economy but also to individual firms. For studies in corporate governance – that is, firms in relation to legal and political authorities – see, among many, J. McCahery, P. Moerland, T. Raaijmakers, & L. Renneboog, Corporate Governance Regimes – Convergence and Diversity (Oxford, 2002); and M. Roe, Political Determinants of Corporate Governance (Oxford, 2002). For bridges between corporate and economic governance see P. Hall & D. Soskice, eds., Varieties of Capitalism: The Institutional Foundations of Comparative Advantage (Oxford, 2001).

⁸ Public choice theory is, of course, more varied than we can allow for here. Some public choice theorists are uncomfortable with universal assumptions about motivation, interests, and rationality made outside of particular sets of norms or beliefs, so they hope to expand the theory to allow for contingency and contextualisation of just that sort. See F. Kratochwil, Rules, Norms, and Decisions (Cambridge, 1989); W. Mitchell, “The Shape of Public Choice to Come: Some Predictions and Advice”, Public Choice 77 (1993), pp. 133-44; C. Vicchaeri, Rationality and Co-ordination (Cambridge, 1993), partic. pp. 221-41. On the limits of public choice theory, including these attempts to modify the theory, see D. Green & I. Shapiro, Pathologies of Rational Choice Theory (New Haven CO, 1994).

⁹ On the turn to governance in political science see R. Mayntz, “New Challenges to Governance Theory”, in H. Bang, ed., Governance, Governmentality, and Democracy (Manchester, 2003). For further examples see J. Kooiman, ed., Modern Governance (London: Sage, 1993); J. Pierre, eds., Debating Governance (Oxford, 2000); R. Rhodes, Understanding Governance: Policy Networks, Governance, Reflexivity and Accountability (Buckingham, 1997); J. N. Rosenau and E.-O. Czempiel, eds., Governance without Government: Order and Change in World Politics

(Cambridge, 1992); and L. Roubon, ed., Citizens and the New Governance Beyond Public Management (Amsterdam, 1999).

¹⁰ We might question the novelty of this turn to ideas of steering and coordination. Many inter-war internationalists had developed a similar fascination with modes of coordination, following on from a critique of liberal ideas of sovereignty, see A. Salter, Allied Shipping Control: An Experiment in International Administration (Oxford, 1921); A. E. Zimmern, The Prospects of Democracy and Other Essays (London, 1929); and the discussion in F. Trentmann, “Political Culture and Political Economy: The Erosion of Free Trade in Britain, c. 1897-1932” (Harvard PhD thesis, 1999), chs.5, 6.

¹¹ This idea has been inspired mainly by transaction economics. See J. Frances, R. Levacic, J. Mitchell, & G. Thompson, eds., Markets, Hierarchies, and Networks: The Coordination of Social Life (London, 1991); and W. Powell “Neither Market nor Hierarchy: Network Forms of Organization”, Research in Organizational Behaviour 12 (1990), pp. 295-336. M. Castells, The Information Age: Economy, Society and Culture, vol. I: The Rise of the Network Society (Oxford, 1996). See also the new journal Global Networks.

¹² S. Vogel, Freer Markets, More Rules: Regulatory Reform in the Advanced Industrial Countries (Ithaca NY, 1996); N. Ziegler, Governing Ideas: Strategies for Innovation in France and Germany (Ithaca NY, 1997); and J. Zysman, Governments, Markets, and Growth: Finance and the Politics of Industrial Change (Ithaca NY, 1983).

¹³ M. Bevir, “A Decentered Theory of Governance”, in H. Bang, ed., Governance, Governmentality, and Democracy (Manchester, 2003); and M. Bevir, R. Rhodes, and P. Weller, eds., “Traditions of Governance: History and Diversity”, Public Administration (forthcoming).

¹⁴ For overviews see, J. Keane, Civil Society: Old Images, New Visions (Oxford, J. Hall, ed., Civil Society: Theory, History, Comparison (Cambridge, 1995); F. Trentmann, “Paradoxes of Civil Society”, in F. Trentmann, ed., Paradoxes of Civil Society: New Perspectives on Modern German and British History (New York, 2000), pp. 3-46. A. Arato and J. Cohen, Civil Society and Political Theory (Cambridge, MA, 1992). Sudipta Kaviraj and Sunil Khilnani (eds.). Civil Society: History and Possibilities (Cambridge 2001).

¹⁵ H. Anheier, M. Glasius and M. Kaldor, eds., Global Civil Society 2001 (Oxford, 2001).

¹⁶ Compare I. Hont & M. Ignatieff, Wealth and Virtue: The Shaping of Political Economy in the Scottish Enlightenment (Cambridge, 1983); and J. Pocock, Virtue, Commerce, and History (Cambridge, 1985). See also now Peter Burke, Brian Harrison, and Paul Slack (eds.) Civil Histories, Essays Presented to Sir Keith Thomas. (Oxford, 2000).

¹⁷ M. Foucault, Discipline and Punish: The Birth of the Prison (Harmondsworth, 1977); and M. Foucault, “Governmentality” in G. Burchell, C. Gordon, and P. Miller, eds., The Foucault Effect: Studies in Governmentality (London, 1991), pp. 87-104. For an explicit suggestion that the recent hollowing out of the state has created something akin to neo-medieval or early modern governance see J. Zielonka, “Should Europe Become a State? A Neo-Medieval Solution”, in D. Leonard & M. Leonard, The Pro-European Reader (Basingstoke, 2002), pp. 177-86.

¹⁸ Burchell, Gordon, and Miller, eds., Foucault Effect; and A. Barry, T. Osborne, and N. Rose, eds., Foucault and Political Reason (London, 1996); see also C. Otter, “Making Liberalism Durable: Vision and Civility in the Late Victorian City”, Social History, 27 (2002), pp. 1-15.

¹⁹ See especially Q. Skinner, The Foundations of Modern Political Thought, 2 vols (Cambridge, 1978). The parallels between Skinner and Foucault have been emphasized by J. Tully, “The

Agonic Freedom of Citizens”, Economy and Society 28 (1999), pp. 161-82; and J. Tully, “Political Philosophy as a Critical Activity”, Political Theory 30 (2002), pp. 525-47.

²⁰ J. Pocock, The Machiavellian Moment: Florentine Political Thought and the Atlantic Republican Tradition (Princeton, 1975); and Q. Skinner, Liberty Before Liberalism (Cambridge, 1998).

²¹ For the shift from republicanism to modern radicalism see G. Claey's, “The Origins of the Rights of Labour: Republicanism, Commerce, and the Construction of Modern Social Theory in Britain, 1796-1805”, Journal of Modern History 66 (1994), pp. 249-90; G. Claey's, Citizens and Saints: Politics and Anti-Politics in Early British Socialism (Cambridge, 1989); G. Stedman Jones, “Rethinking Chartism” in Languages of Class: Studies in English Working-Class History, 1832-1982 (Cambridge, 1983), pp. 90-178; and M. Bevir, “Republicanism, Socialism, and Democracy in Britain: The Origins of the Radical Left”, Journal of Social History 34 (2000), pp. 351-68.

²² We discuss the transformation of this narrative in M. Bevir and F. Trentmann, “Critique within Capitalism: Historiographical Problems, Theoretical Perspectives”, in M. Bevir and F. Trentmann, eds., Critiques of Capital in Modern Britain and America: Transatlantic Changes 1800 to the Present Day (Houndsmills: 2002), pp. 1-25; see also D. Feldman, “Class”, in P. Burke, ed., History and Historians in the Twentieth Century (Oxford, 2002), pp. 181-206; and M. Taylor, “The Beginnings of Modern British Social History”, History Workshop, 43 (1997), pp. 155-76.

²³ J. Harris, “Political Thought and the Welfare State 1870-1940: An Intellectual Framework for British Social Policy”, in Past and Present 35 (1992), pp. 116-141; S. den Otter, British Idealism and Social Explanation: A Study in Late Victorian Thought (Oxford, 1996); F. Trentmann,

“Bread, Milk and Democracy: Consumption and Citizenship in Twentieth-Century Britain”, in M. Daunton & M. Hilton, eds., The Politics of Consumption: Material Culture in Europe and America (Oxford, 2001), pp. 129-63; P. Gurney, Co-operative Culture and the Politics of Consumption in England, c. 1870-1930 (Manchester, 1996).

²⁴ H.-G. Haupt, ed., Das Ende der Zünfte: Ein Europäischer Vergleich (Göttingen, 2002); L. Vardi, The Land and the Loom: Peasants and Profits in Northern France, 1680-1800 (Durham, N.C., 1993); B. Hilton, The Age of Atonement: The Influence of Evangelicalism on Social and Economic Thought, 1795-1865 (Oxford, 1988); A. Vickery, The Gentleman’s Daughter: Women’s Lives in Georgian England (New Haven CT, 1998); for eighteenth-century local government, see D. Eastwood, Governing Rural England: Tradition and Transformation in Local Government, 1780-1840 (Oxford, 1994).

²⁵ J. Livesey, “Agrarian Ideology and Commercial Republicanism in the French Revolution”, in Past and Present 157 (1997), pp. 94-121; Stedman Jones, “Chartism”; E. Biagini and A. Reid, eds., Currents of Radicalism (Cambridge, 1991); E. Biagini, ed., Citizenship and Community (Cambridge, 1996).

²⁶ J. Livesey, “Improving Justice: Communities of Norms in the Great Transformation”, pp. below.

²⁷ S. Sassen, “The Locational and Institutional Embeddedness of Electronic Markets: The Case of the Global Capital Markets”, pp. below.

²⁸ B. J. Eichengreen, Globalizing Capital: A History of the International Monetary System (Princeton NJ, 1996).

²⁹ Whatmore, “The Politics of Political Economy in France from Rousseau to Constant”, pp. below.

³⁰ Whatmore, p.21 MS.

³¹ D. Eastwood, "Tories and Markets: Britain 1800-1850", pp. below.

³² S. Sassen, "The Locational and Institutional Embeddedness of Electronic Markets: The Case of the Global Capital Markets", pp. below.

³³ P. L. MacLachlan and F. Trentmann, "Civilising Markets: Traditions of Consumer Politics in Twentieth-Century Britain, Japan, and the United States", pp. below.

³⁴ R. Jenkins, "The Ideologically Embedded Market: Political Legitimation and Economic Reform in India", pp. below. How political elites in Britain and America developed a narrative of globalisation in which markets are presented as insuperable forces of nature, see C. Hay, "New Labour and 'Third Way' Political Economy: Paving the European Road to Washington?", in Bevir and Trentmann, Critiques of Capital, pp. 195-219.

³⁵ D. Winch, "Thinking Green, Nineteenth-Century Style: John Stuart Mill and John Ruskin", pp. below.

³⁶ Haupt, "Guild Theory and Guild Organization in France and Germany During the 19th Century", pp. below.

³⁷ For the affinity of civil society with toleration (rather than with community or democracy), see also D. Colas, Civil Society and Fanaticism: Conjoined Histories (Stanford CA, 1997); and J. A. Hall, "Reflections on the Making of Civility in Society", in F. Trentmann, ed., Paradoxes of Civil Society, pp. 47-57.

³⁸ For an application of this argument see F. Trentmann, "Political Culture and Political Economy", Review of International Political Economy 5 (1998), pp. 217-51. See also the literature on the sociology of knowledge in the early modern period, e.g., Peter Burke, *A Social*

History of Knowledge: From Gutenberg to Diderot (Oxford, 2000); Steven Shapin, *A Social History of Truth: Civility and Science in Seventeenth-Century England* (Chicago, 1994).

³⁹ Even when constructivists postulate institutional unity, they typically conceive of it as an emergent property based on individual actions in the context of intersubjective norms, which, at least in principle, could be contested. Institutions are, in this view, constantly being recreated through a series of activities and processes. Clearly some institutionalists remain closer to positivism than an interpretive or constructivist position, though the boundary between the two is fuzzy. For attempts to distinguish a discursive or constructivist variety of institutionalism from rational-choice, historical, and structural institutionalisms see J. Campbell & O. Pedersen, eds., The Rise of Neoliberalism and Institutional Analysis (Princeton, 2001); and J. Hoff, “A Constructivist Bottom-up Approach to Governance”, in Bang, ed., Governance, Governmentality, and Democracy. For an example of how an interpretive approach can act as a critique of other forms of institutionalism see F. Trentmann, “The British Sources of Social Power”, in The Anatomy of Power: The Historical Sociology of Michael Mann, eds. John Hall and Ralph Schroeder (Cambridge, forthcoming)

⁴⁰ Aspects of this new times thesis appears in the work of many of the political scientists mentioned earlier. See J. Kooiman, “Activation in Governance”, in Bang, ed., Governance, Governmentality, and Democracy; and R. Rhodes, “The New Governance: Governing without Government”, in Understanding Governance.

⁴¹ See the study of the governance of free trade by F. Trentmann, Food and Freedom: Consumption, Commerce, and Civil Society in Britain, 1890s-1930s (forthcoming).

⁴² The theoretical perspective that follows extends that of M. Bevir, The Logic of the History of Ideas (Cambridge, 1999).

⁴³ See respectively M. Foucault, The Order of Things: An Archaeology of the Human Sciences (London, 1986); and the revised theory of the essays in M. Foucault, Power/Knowledge: Selected Interviews and Other Writings 1972-1977 (Brighton, 1980).

⁴⁴ Q. Skinner, "Motives, Intentions, and the Interpretation of Texts", in J. Tully, ed., Meaning and Context: Quentin Skinner and his Critics (Cambridge, 1988), pp. 68-78.

⁴⁵ For a critique of this view of globalisation, with further references, see P. Hirst & G. Thompson, Globalization in Question: The International Economy and the Possibilities of Governance (Cambridge, 1996).

⁴⁶ They might even suggest that "globalisation" is often a purely rhetorical device that politicians or business elites use to justify policies or cost-cutting exercises that they want to adopt for other reasons. See Hay, "New Labour and 'Third Way' Political Economy".