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Economics as A Cultural System

Raymond Benton, Jr.

One of the themes given expression below is the idea that people cannot tolerate the uncanny; that the stranger things in our environment are potentially unsettling and that people are unable to leave the unclarified simply unclarified. In what follows I discuss what must be to many, especially institutional economists, a very strange phenomenon in the landscape about us. Specifically, how it is that a scientific theory that purports to be a description of reality continues to be espoused when in fact so many are unable to bring themselves to honestly and truly believe in it as a description of reality, and for those who can, as has been noted, it is for about as long as it takes to write an examination).¹ Undoubtedly John Kenneth Galbraith's comments have a great deal of validity, but somehow they are not satisfying; he suggests that economics must be more than an ideological mask directing attention away from inconvenient fact and that academic economists must have something to teach when the students arrive.² Galbraith's own works are available but they are not espoused and if introduced at all it is only briefly and more often than not they are quickly dismissed. There must be more than meets the eye.

This paper is, then, an attempt to think about economic theory. The vehicle for thinking about it will be anthropology's concept of culture; the end result will be to suggest that economics is a cultural system, more specifically, that economics is a sacred cultural system. In order to give expression to this view it will be necessary to first sketch the concept of

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culture as created and historically transmitted systems of symbols and meanings.

Culture and Humanity

Traditional Concept of Culture

It might be well to begin by recognizing that the Veblen-Ayres tradition in institutionalism is widely recognized as being grounded in the anthropological concept of culture. Veblen himself described his economics as cultural economics and Ayres made widespread use of the term in many of his writings.³ On the whole institutionalists have been less concerned with defining the concept of culture than with using it. Hamilton, for example, states that "institutionalism is built on the concept of culture," but nowhere does he stop to explain what culture is; it is, of course, implied throughout his work but it is nonetheless up to the reader to infer the meaning of this basal concept.⁴

The concept of culture in anthropology was formulated by E. B. Tylor in 1871 as "that complex whole which includes knowledge, belief, art, law, morals, customs, and any other capabilities and habits acquired by man as a member of society."⁵ Culture was everything that man thinks and does that is transmitted extra-genetically. Outside of stylistic preferences by particular authors this is still, today, the dominant conceptualization of anthropology's central concept. In his most recent theoretical work, for example, Marvin Harris defines culture to be "the learned repertory of thoughts and actions exhibited by members of social groups—repertories transmissible independently of genetic heredity from one generation to the next."⁶

Over the years the major theoretical discussions in anthropology have centered less on what culture is than on how it is best studied. Thus anthropology has traveled down the evolutionists', the historicists', and the functionalists' roads and is today by and large on the adaptationalists' mode of interpretation. All the while the concept of culture has remained basically Tylor's original concept of "a complex whole." Correspondingly, the institutionalists' use of the concept of culture and the occasional call for a cultural economics has been less colored by the concept itself than by the contemporary approach to studying it.⁷

Emerging Concept of Culture

There has been, however, a movement afoot in anthropology over the past several decades to limit, specify, focus, and otherwise contain the

concept of culture in hopes of making it more precise and, one hopes, more useful.⁸

Behind the traditional concept of culture is an image, what Clifford Geertz refers to as the Enlightenment's image, of unembellished man lying somewhere below, or behind, the trappings of local custom and tradition. The image holds culture to be an additive to an otherwise biologically, neurologically, and anatomically completed animal. With the discovery of culture, this traditional image holds, biological means of adaptation ceased to be the primary human means of adjusting to the surroundings. Rather than wait thousands of years to develop a full body of hair before extending their reach to the farthest regions of the earth, people could adapt culturally, through an extragenetically learned repertory of thoughts and actions. A person could, in this instance, don a fur coat.

To Geertz's mind the difficulty with this conception lies not with the adaptational aspects of culture, for surely culture *has* become the primary human mode of adaptation, but with the stratigraphic aspects of it. The archaeological evidence strongly suggests that culture, rather than being added on to an otherwise complete animal, was integral to the ultimate formation of that animal. The first signs of culture in the traditional sense appear well before the biological entity had attained its present physical and neurological status. Therefore, culture was not added onto but was integral with the final development of humankind. Literally, people had a hand (or a mind) in making themselves. Consequently the mind and the body evolved, at least during the final stages, within the framework of human culture and human symbolization, and for that reason are, by themselves and together, incapable of directing human behavior or organizing human experiences. Human culture is not superfluous: it is defining, it is essential. Below the trappings of local custom and tradition we will not find those "intrinsically talented apes who had somehow failed to find themselves" but rather truly "unworkable monstrosities with very few useful instincts, fewer recognizable sentiments, and no intellect: mental basket cases."⁹ Without culture "man's behavior would be virtually ungovernable, a mere chaos of pointless acts and exploding emotions, his experience virtually shapeless."¹⁰ As the sociologist Peter Berger has expressed it, "Man, biologically denied the ordering mechanisms with which other animals are endowed, is compelled to impose his own order upon experience."¹¹ Humans do this through culture, the symbolic realm of human existence.

Cultural Symbols

The cultural realm is the symbolic realm and it is as integral to humanity

as are the specifically genetic characteristics of humanity. Without the genetic code no humanity, but equally without symbolization no humanity. The argument has been put in terms of models: it is by and through symbolic models that humans are able to come to terms with their environment, that they can come to understand it, to see it, to interpret it; but as importantly it is through symbolic models that humans can act upon, or in, their environment, to affectively orient themselves within it. The term model has, then, this dual aspect: there are *models of* as well as *models for*. We make models of all sorts of things, as our text-books provide ample evidence: models of hydraulics, of solar systems, of social systems, of biological systems. But more often than not such models are used, they are also models for the guidance of human action: models for building dams, for blasting spaceships into the heavens, for development programs around the world, for health and healing. *Models for* exist in nature, as in the genetic code which is a model—a blueprint—for reconstructing another of the same species. But *models of* are apparently uniquely human. Beavers build their houses, and birds fly south, according to genetic information contained intrinsically; humans build houses, and fly wherever it is they fly—in machines—according to symbolic and extrinsic sources of information, according to models of houses for house building, of the terrain for navigational purposes.

There is a tendency in all human societies to construct a limited number of symbolic models that are both models of and models for in the most fundamental sense of the words. This is the realm of what Geertz calls “sacred symbols.”¹² Sacred symbols bring together into a single symbolic representation a metaphysical acceptance of the way things in sheer actuality are and a moral, aesthetic, or evaluative element: a world view and an ethos. The first is a sense of the really real, the concepts of nature, of self, and of society, the picture of the general order of existence within which a people find themselves. The second is an underlying attitude toward life, a recommended style of life. The first is an accepted *model of* reality, the second a *model for* living in that reality. The juxtaposition of the two gives to the recommended style of life what it needs most if it is to be coercive: the appearance of objectivity, an air of naturalness and simple factuality. Cultural models of this type “support proper conduct by picturing a world in which such conduct is only common sense.”¹³ Values, rather than being portrayed for what they are—subjective human preferences—are portrayed “as the imposed conditions for life implicit in a world with a particular structure.”¹⁴ All sacred symbol systems assert that it is good for human beings to live realistically; they differ in the vision of reality that they construct. Those individuals that fail to go along with the

moral-aesthetic norms formulated by the symbols, who follow an incongruent style of life, are regarded not so much as evil as stupid, insensitive, unlearned, or mad.

For those who are committed to them (and as Hall notes we do become committed to them: "Men have fought and died in the name of different models of nature"), sacred symbols seem to mediate genuine knowledge, knowledge of the essential conditions in terms of which life must, of necessity, be lived.¹⁵ They are attempts to provide orientation for an organism that cannot live in a world it is unable to understand. There are three levels at which such understanding, or more accurately the lack of understanding, threatens to break in upon human beings: at the limits of their analytic capacities (the problem of bafflement), at the limits of their powers of endurance (the problem of suffering), and at the limits of their powers of moral insight (the problem of justice). "Man depends upon symbols and symbol systems with a dependence so great as to be decisive for his creaturely viability and, as a result, his sensitivity to even the remotest indication that they may prove unable to cope with one or another aspect of experience raises within him the gravest sort of anxiety."¹⁶

Culture and Human Needs

The point is not how many synthesizing symbol systems any particular society has; the number is always limited but not usually to only one. The point of emphasis is that the meanings that they contain and that inform a people are stored in symbols: in a cross, in a crescent, in a feathered serpent. And to get directly to the point now, the cross can be a Latin Cross, a Maltese Cross, or a Marshallian Cross.

Everyone appreciates that economics is a model; specifically it is held to be a model of a price-directed market economy used as a model for evaluating various policy proposals. It is against this notion of economics that most criticism has traditionally been leveled. For the present understanding, the *model of* aspects refer not to economics as a model of a particular type of economic arrangement but to the unthinkingly accepted metaphysical aspects that inform it: the image of nature, of self, and of society that underlie it. The *model for* aspects refer to the price-directed market economy as a recommended style of life. The latter is implicit in the former, just as if the laws of nature told us what (we ought) to do.

The core of our understanding about human beings, or at least that understanding that informs economics, is Newtonian.¹⁷ In 1687, Newton published his *Principia*, and three years later Locke published his *Essay Concerning Human Understanding*. In his essay Locke was trying to do

for the human mind what Newton had done for the physical world. Accepting fundamental Newtonian concepts, Locke was led to the conception of mind which involved the assumption of mental elements (ideas) analogous to physical particles, and the assumption that to explain anything complex is to break it down into its elements. Additionally the Lockean notions that a person is composed of two parts—one's body and one's property, on the one hand, and one's mental substance, on the other—and that one person's mental substance, soul, consciousness, that is, one person's opinion, is as good as any other's have their grounding in Newtonian metaphysics as well.

Regarding the further reaches of humankind, the individual is held to be the best judge of her own needs and requirements and actions. The individual is, of course, free to define that self-interest but there is an overwhelming orientation in Western thought toward material gain as the dominating motivation.

Regarding nature, the core understanding is one of scarcity: the world does not contain the wherewithal to satisfy human needs and wants, at least not in any usable shape or form. In a word, nature is niggardly and if her resources are sufficient to supply the needs of all individuals she nevertheless withholds them, burying them in the most inaccessible of locations and in the most inaccessible of forms. The image of nature is, as well, as something that is purely an object, something merely useful as a vast storehouse of resources and not as something with an integrity and a life of its own.

If the individual is what is real in the human realm, then society is nothing (or little) more than the relational patterns that emerge from the interaction of individuals who make up the society. Within the relational patterns social conflict results, arising out of basic human nature. If any two people desire the same thing, which they both cannot in any case enjoy, the two become enemies or one subjugates the other.

If the dominating self-interest is for material possessions, and if nature is overwhelmingly niggardly, then it follows that social friction, perhaps in the form of war, will be the result. To enhance freedom and to eliminate social conflict it seems only reasonable to encourage free productive enterprise organized around price-directed market exchanges. Since market exchange is free and voluntary it is frictionless; the friction arises from the dearth of exchangables and that can be eliminated, or at least relieved, if people set their eyes and efforts on producing more and more. And it all seems so reasonable.

For those committed to them such synthesizing symbols provide the basis for comprehending the world of everyday experience; they provide

the symbolic resources that bring the anomalous and the unexplained within the realm of the explainable. The point is that humans cannot leave the unclarified simply unclarified. Humans use their beliefs to explain the unexplained, or more accurately to convince themselves that things are explainable within the accepted scheme of things. That economics is used in this manner needs no extensive comment: we use it to interpret the everyday world of lived-in events.

But no less important than the problem of conceptualization or bafflement is the problem of suffering. No cultural system postulates that life does not hurt, that it is without its pain. Cultural models identify that hurt and pain and then go on to provide the knowledge needed to endure it. It is not a matter of how to avoid the suffering, but how to suffer, how to feel about what is happening to one about one. How is the laid-off laborer to feel? If he is reasonable he is not bitter toward any one or any thing because a market economy is impersonal and his lack of employment merely reflects the fact that the demand for his labor is less than he is willing to supply for the given period. How are the tailor down the street or the owner of corner grocery store supposed to feel when they are unable to make a go of it any longer? One certainly knows what has happened: it is a matter of efficiency and impersonal market forces. The problem is to be faced with resolution and determination, not with crying and sorrowful indolence. And how is a third party to feel at seeing the tailors, the neighborhood grocers, and the laborers around the community suddenly thrust into the intractable situation of being without employment? Because the market economy is impersonal we ought not to feel sorry even though we may not like what we see about us.

And finally there is the problem of justice. Whatever suffering and social conflict do exist are likely to be seen as undeserved, especially by the sufferer. Cultural patterns must formulate a justification of the existing social order, if not as it actually is then as it should be, by showing that it is just according to some higher transcendental ethical criteria. The role of the labor theory of value in Adam Smith and the marginal productivity theory today has been expressed by many, in both it is revealed that, when followed, the prescribed way of life (the price-directed market economy) rewards the individual according to her contribution to society, the greater one's contribution the greater the reward.

Conclusions

The argument has been brief and suggestive rather than long and decisive; more exploratory than conclusive. If it is correct, or at least correct

in its orientation, then it suggests that traditional economics is more than a positive science the purpose of which is to describe economic reality; it is a cultural system that tells people what they most need to know about living. Not all people worry about the types of questions that economics as a cultural system tries to answer to but every society has its philosophers and theologians who seek answers to such questions while the rest, more concerned with coping, solving, and striving, carry on assured that there are answers and that the world is not absurd and that they can, by taking thought, effectively orient themselves within it. And that is the answer to our opening question, Why do economists continue to espouse a theory that few can bring themselves to honestly and truly believe in as a description of reality? It is not intended to be a description of but a recommendation for reality.

If the argument is correct then it also suggests that the continuing campaign to dethrone economics, to defrock it, has failed because it has not provided an adequate answer to the questions that economics does answer. Any attempt to develop a viable substitute for economics must be well grounded in accepted metaphysics, accepted notions of the nature of self, society, and nature, so that what is presented flows directly from the former in a commonsensical manner. Such is not a likely possibility because current formulations are already well fitted to the world view. But that world view *is* itself undergoing a radical transformation and as a consequence the old ethos will not fit or flow naturally from the new world view. Therein lies the opportunity.

Notes

1. As one student recently expressed it in a course term paper, "It seems that the system of economics we rely on . . . doesn't explain the world in which we live."
Duncan K. Foley, "Problems vs. Conflicts: Economic Theory and Ideology," *American Economic Review* 65 (1975): 231–236.
2. John Kenneth Galbraith, *Economics and the Public Purpose* (Boston: Houghton Mifflin Co., 1973), pp. 26–27. See also his "Economics as a System of Belief," in *Economics, Peace, and Laughter* (Boston: Houghton Mifflin Co., 1971).
3. See Allan Gruchy, *Contemporary Economic Thought* (Clifton, N.J.: A. M. Kelley, 1972), p. 20.
See, for example, C. E. Ayres, *The Theory of Economic Progress* (Chapel Hill: The University of North Carolina Press, 1944); *The Industrial Economy* (Cambridge: Houghton Mifflin, 1952); *Toward a Reasonable Society* (Austin: University of Texas Press, 1961).

4. David Hamilton, *Evolutionary Economics* (Albuquerque, N.M.: University of New Mexico Press, 1970), p. 121.
5. E. B. Tylor, *Primitive Culture* (Boston, 1871), p. 1.
6. Marvin Harris, *Cultural Materialism* (New York: Random House, 1979).
7. Allan G. Gruchy, *Modern Economic Thought* (New York: A. M. Kelley, 1967), p. 21.
8. A summary of the various lines of development can be found in Roger M. Keesing, "Theories of Culture," *Annual Review of Anthropology*, vol. 3 (Palo Alto: Annual Reviews, Inc., 1974). The particular line of thought given expression in this paper is that developed by Clifford Geertz. See his *Interpretation of Cultures* (New York: Basic Books, 1973).
9. Geertz, p. 49.
10. Geertz, p. 46.
11. Peter Berger, *The Sacred Canopy* (New York: Doubleday, 1967), p. 19.
12. Geertz, pp. 87–141.
13. Geertz, p. 129.
14. Geertz, p. 131.
15. Edward T. Hall, *Beyond Culture* (New York: Anchor Books, 1977), p. 14.
16. Geertz, p. 99.
17. The connection between Newton and Locke has been explored in John Herman Randall, *The Career of Philosophy* Vol. 1 (New York: Columbia University Press, 1962), Book IV. See also George C. Lodge, *The New American Ideology* (New York: Alfred A. Knopf, 1976), pp. 87–106. Also R. B. Mac Leod, "Newtonian and Darwinian Conceptions of Man and Some Alternatives," *Journal of the History of the Behavioral Sciences* (1969): 207–218.

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