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IE + IT = ED?

Is informal economy plus information technology a path towards economic democracy?

This paper is frankly autobiographical. It is an attempt to excavate the intellectual and political connections between my early and late work in economic anthropology.

The idea of an ‘informal economy’ (Hart 1973, 2006) grew out of a desire to communicate with development economists in the early 1970s from the perspective of my ethnographic research in a West African city slum. Its core was the belief, taken from the dialectical philosophy of Kant and Hegel, that no idea can fully grasp empirical reality; and out of that the seeds of change may grow. It was universally held at the time that only the state could engineer economic development; and this left out what people really did in the cracks of the state-made economy. I proposed to address this gap, but I did not anticipate how readily the development bureaucracy would take up my idea nor how large the social space occupied by ‘informal’ activities would eventually become. I did not set out to coin a concept – that was the work of economists and academic bureaucrats. My aim was to show that self-organized economic activities, growing out of people’s everyday lives, however irregular and inadequate they may seem to be, ought to modify the perceptions of economy current in development discourse.

Much later, I turned to the study of money in a global perspective (Hart 2000) and argued there that the digital revolution in communications, which took off in the 1990s, had the potential to sustain a truer economic democracy than any we have known so far. This was not a prediction that ordinary people would inevitably win in the struggle with corporations and governments to control them and reap the benefits of the new economy. But it was, in line with the precedent set by Marx and Engels, an attempt to identify the potential sources of people power inherent in the latest phase of capitalism and the machine revolution. This hinged on identifying changes in the relationship between personal and impersonal agency intrinsic to these developments, a theme taken further in *The Hit Man’s Dilemma* (Hart 2005). In seeking to detach the idea of ‘the market’ from that of capitalism, I focused on money as *The Memory Bank*, linking persons to their communities, and have since followed this up by studying the community currencies movement (featuring such forms as LETS). See [www.thememorybank.co.uk](http://www.thememorybank.co.uk).

Anthropologists have traditionally privileged self-organized economic activities, whether those of farmers, traders, household managers or the givers of gifts. The twentieth century saw a universal experiment in impersonal society. Humanity was everywhere organized by remote abstractions -- states, capitalist markets, science. And, as if that were not enough, the main common preoccupation was war. For most people it was impossible to make a meaningful connection with these anonymous institutions and this was reflected in intellectual disciplines whose structures of thought had no room for human beings in them. Whereas once we studied stateless peoples for lessons about how

to construct better forms of society, such an exercise now seemed pointless, since we were all powerless to act. Of course, people everywhere did their best with a bad job, seeking self-expression where they could -- in domestic life and informal economic practices. But the gap between individuals and society widened, even as most regimes claimed that they governed in the name of the people. We may or may not be witnessing at present the decline of the dominant social form of the last 150 years, the attempt to monopolize money, markets and accumulation through central bureaucracy that I call 'national capitalism'.

This workshop, with its focus on regional clusters, networks and the efforts of ordinary people to organize themselves in the face of capitalist exploitation, nevertheless offers me an opportunity to get beyond a personal desire to discover some lurking consistency between my present and former selves (an identity, if you like). I hope, certainly in any form of the paper produced after the workshop, eventually to place this introspective impulse back in the collective discourses where it properly belongs, in economic anthropology, development discourse, Marxism and the contemporary struggle for emancipation from the neo-liberal world economy.