

Rethinking Economies

Bologna 29-30 June 2006

"Binding labour and capital: moral obligation and emotional ties in a regional economy"

Susana Narotzky (Anthropology, Universitat de Barcelona)

The paper is based on an ethnography [1995-96] of the Vega Baja del Segura (Valencia, SE Spain). It is an area of small and medium family firms, some of which were among the more profitable in their sector (shoe-wear) at the time of fieldwork. Following recent sociological and economic models, the area has been described by local experts as an industrial district, in reference to its dynamic and flexible economic structure and its entrepreneurial culture.

The industrial district or economic region model was first defined for Northern Italy as an optimistic developmental model based on the relevance of a shared culture and the use of non-economic social networks. This model has acquired an important role in the discourses of institutional policy makers including Eurocrats or World Bank advisors. Here the concepts of "social capital" (binding) and its twin "relational capital" (bridging) are highlighted as the main assets to be developed in order for development policies to succeed.

"Social capital" refers in these models to a vague idea of the importance of embeddedness (as defined by Granovetter rather than Polanyi) for a flexible and successful economic organization. The dominant model of economic development incorporates now the importance of "non-economic" social relations that are deemed increasingly necessary for the local establishment of dynamic entrepreneurial practices and flexible relations of production. This also means the demise of contractual relationships sanctioned by the Law as the main form of structuring social relationships in the context of the Market, highlighting moral obligation and emotional ties instead.

What the ethnography reveals, however, is a complex and conflict-laden space where increased embeddedness of labour/capital relations produces increased

tension within the “traditional” boundaries of identity: the self, the family, and the community. Moreover, far from supporting the idea of a fairly homogeneous access to the local pool of social capital on the part of local agents, our ethnography shows how different people have, for historical reasons, very different capabilities in this regard. However, the discourse of an organic and culturally defined economic region misrepresents these harsh realities. Last, the paper will address the political problems that this new developmental model poses: namely, the implosion of a social space where labour rights might be claimed, producing pockets of exclusion from state regulated social relations.