

SURVEY

The usury debate, the sustainability debate, and the call for a moral economy

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Abstract

This article attempts to contribute to ethical perspectives on sustainability initiatives by comparing the relationship between economy and society in the usury debate in early modern England and the sustainability debate in the late 20th century. This comparison highlights that the changing relationship between economy and society has been a self-conscious and hotly debated struggle among various groups at various times in history. The article concludes that if sustainability is going to be a viable ethical project, it may have to reclaim access to social and political relations which have been increasingly privatized in market economy throughout the modern period. © 2000 Elsevier Science B.V. All rights reserved.

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1. Introduction

Usury is... the deceiving of the brethren... works of darkness... a monster in nature... plague of the world... misery of the people... a theft which continues day and night without ceasing... [and feeds on] the hunger of others.

(Jones (1989), p. 26–27).

... UNCED [United Nations Commission on Environment and Development] has boosted precisely the type of industrial development that is destructive for the environment, the

planet and its inhabitants... [A]s a result of UNCED, the rich will get richer, the poor poorer, while more and more of the planet is destroyed in the process.

(Chatterjee and Finger (1994), p. 3).

In comparing the usury debate in England (1571–1624) and the sustainability debate in the late 20th century, this article attempts to move discussion from the internally ‘rational’ economic framework to the wider societal context, and in doing so, ask the question: ‘Is environmentalism engaging in a project that sufficiently challenges

the increasing autonomy of market economy in a way that re-establishes the primacy of relations in human communities and natural communities? Although sustainability had its beginnings in the sustainable yield models in fishery and forestry management, many commentators now argue that it is first and foremost a moral initiative having to do — in its weakest definitions — with inter-generational equity (meeting the needs of present generations without compromising the ability of future generations to meet their needs). In its strongest terms sustainability is associated with North-South equity concerns, as well as equity of members within societies. For example, ecofeminism perspectives challenge ecological economics to move away from neoclassical models of the individual because they are “grounded in the partial experience of some and the suppression of the experience of others”, and are therefore regarded as ‘morally unacceptable’ (McMahon, 1997; Mellor 1997). Similarly, Booth argues that environmental decision-making should be based “on ethical grounds rooted in moral orderings, not on the basis of cost benefit analysis” (Booth, 1994, p. 251).

In earlier debates over the relationship between economy and society, R.H. Tawney argued that to study the economy without exploring the wider institutional context in which it exists is like a geographer discussing river systems without mentioning mountains. Tawney set the analytical challenge at the beginning of modernity with regard to usury in these terms: “What requires explanation is not the view that these [economic] matters are the province of religion, but the view that they are not” (Tawney, 1980, p. 272–273). At the ‘end’ of modernity, it is possible to argue that what requires explanation is not whether the relationship between environment and economy is the province of society generally (“What is the purpose of society, anyway?”), but the view that they are not. By contrast, free marketeers deal with this issue by strengthening the internalization and privatization of appropriation and accumulation within market economy, as if environmental problems are caused by society not being ‘capitalist enough’.

The usury debate (usury defined as a ‘loan with a contract for interest’) is an especially evocative point of comparison for the sustainability debate, firstly, because both usury and sustainability are concerned with the relationship between economics and societal institutions, and secondly, because they bracket what can be argued is the beginning and end of modernity in terms of that relationship between economics on the one hand, and social, ethical, and religious practices on the other. The usury debate at the beginning of modernity marks the controversial separation of economics from social and religious institutions, at the same time as granting power to groups who benefited from this increased autonomy. A recognition of how anomalous this autonomy is in historical terms is central to a clear understanding of environmental challenges. The environmental debate at the end of modernity attempts to re-integrate economics into wider societal institutions through concepts such as sustainability. As Michael Jacobs states: “... sustainability is an ethical concept. To the orthodox economist this is a criticism; indeed, it places sustainability outside the realm of economics” (Jacobs, 1993, p. 77).

It is instructive for any current discussion, which now attempts to re-integrate economics with a wider set of environmental and social values at the end of modernity, to recognize that there was an intense, half-century-long debate that allowed for the initial separation of economics from social institutions at the beginning of modernity. The contrasting assumptions inform these two historical debates separated by 400 years can give some idea of the transformations have occurred in modernity and can underscore the difficulties of finding ‘moral economy’ solutions to environmental problems.

What is abundantly clear in comparing the usury debate and the sustainability debate is the deep historicity underwrites the relationship between economy and society. This deep historicity presents a central challenge to those who attempt to transform unsustainable structures and processes into sustainable ones because, many times, sustainability initiatives attempt to ‘undo’ specific historical events in modernity. The contrasting of these two debates also problematizes the pro-

gressive conception of modernity in which rationality triumphs over superstition and religion. The undue optimism of the Whig version of history is severely circumscribed by the fact that at the end of modernity there is an attempt to relocate this emergent economic rationality within moral concepts, such as sustainability, so as to avoid what appears to be a grim future for the biosphere.

The evolving relationship between economy and society in modernity has been underwritten by the emergence of two foci of analysis: the creation of the individual and the dominance of rational economic thinking. At the beginning of modernity, the evolution of points of view about the law against usury related to the increasing emphasis in some theological circles on internal conscience as the guide to a Christian life. The vast economic changes of the period related to the emergence of agricultural and merchant capitalism combined unintentionally to marginalize the ethics of economic relationships. When that happened, economic expediency was left as the only sure way for society to judge when usury occurred and whether it was good or bad (Jones, 1989, p. 4). What we see in the usury debate is the nascent retreat of God and morality from the social world. The ‘realm of the conscience’ and ‘economic expediency’ represent the twin processes of the internalization of meaning in individual consciousness and the free rein of economics in the world, which are so taken for granted in the analysis of environmental problems, but which are also central underpinnings of the causes of these problems. As reflected in Garrett Hardin’s argument that conscience is ‘self-eliminating’ in the communityless, cultureless tragedy of the commons, the internalization of conscience in the individual and the free rein of economics in the world severely limit our current ability to discuss sustainability as a collective social initiative (Hardin, 1977).

If the realities of globalization at the end of modernity reflect a world in which capital abhors all communities but itself, the prohibition against usury at the beginning of modernity reflects a situation where social and religious community abhors capital. Or in other words, whereas the

priorities of globalization define a world from within an increasingly pervasive economic logic, usury presents an ethical and religious view of capital almost entirely ‘from without’ economics. This, then, creates an alternative pole from which to view the working of modern economy that has a basis in the history of Northern countries. It is this alternative pole ‘from without’ economics which can contribute to North/South discussions so as to allow for the inclusion of the perspectives of local Southern cultures who are struggling to maintain their social relations of ‘moral economy’ in the midst of the expansion of Northern economic interests.

2. The theology of usury

The commoner property is, the holier it is.

(Hyde, 1983).

The Act Against Usury was initially passed into law in 1571 and was eventually repealed in 1624. Whereas the debate that created the act which prohibited usury in 1571 was dominated by “scholastic modes of analysis and questions about God’s will”, the 1624 act which repealed the prohibition treated usury “as an economic matter” and “ignored God, except for a peculiar amendment that insisted that the Act did not repeal the law of God in conscience” (Jones, 1989, p. 1).

In order to set out what it is that is being prohibited in the laws against usury, usury is defined here as: “... a contract intentionally for more than the principle of a loan without risk to the lender. Usury occurred only when the lender was guaranteed a profit without regard to the borrower’s risk. Usury is a loan with a contract for interest” (Jones, 1989, p. 4).

In this prohibition of 1571, the viability of ethical and religious community is paramount, and there is a clear recognition that economic relations are subject to ethical and religious values, and that ‘a loan with a contract for interest’ is destructive to those values. The medieval approach to usury was not applied universally, but

instead allowed for some inconsistencies with regard to lenders who might suffer a loss if the borrower was delinquent in repaying, or if the lender suffered from lost opportunities by not having the use of the money while it was lent (the cessation of gain). These inconsistencies gradually expanded because of changing economic circumstances in 16th-century England. As the opportunities for productive employment of capital increased, moralists were led to judge the justifications for profit differently. Financial risk became an increasing justification for charging interest which, along with a greater willingness to accept the social utility of financiers, led to a wider acceptance of interest-bearing loans that began to make room for large-scale commercial transactions.

Despite these inconsistencies, the usury debate took place in close proximity to the relations between humanity, God, and law. Broadly speaking, there were two distinct positions on usury in early modern England: the ‘objectivist’, Aquinian position enshrined the law that lending at interest was always wrong, with few exceptions; and the ‘subjective’ nominalist position which acceded to the Aquinian definition, but refused to accept any external objective measurement of the crime. For some Protestants, such as Calvin, there was a new-found emphasis on individual intentions rather than external actions, whereby “God would judge the secrets of the lender’s heart” (Jones, 1989, p. 19). Weber has argued that this internalized moral discipline freed it from the local ethics of particular religious communities, thereby creating “the empowered self of the calling” of what came to be known as the modern capitalist “personality” (Weber, 1992).

By contrast, ‘objectivist’ commentators such as John Jewel upheld the Aquinian position by arguing that even with borrowing between the rich, someone is made hungry because someone has to pay the interest, someone has to sell the surplus value of their labour to create the wealth for the rich man. Similarly, John Winthrop argues that what is required is not moral freedom, but social discipline when dealing with how usury created “unjust gain” and the “concealment of injustice” (Valeri, 1997, p. 748). Wealth is not an innocent

act. Thereby, “The civil law condemneth it, the canon law condemneth it, the temporal law condemneth it, and the law of nature condemneth it” (Jones, 1989, p. 28). The censure of usury originated in the ethic of not making money on a borrower’s need (the golden rule). But when circulation of money became increasingly the norm, the borrower wanted the loan not out of need, but for profitable investment. Therefore the ethic in maintaining civil or religious society was challenged by the context of profit (‘gain’), and the censure against usury was eclipsed by changing economic realities, transforming social relations from a “tribal brotherhood” to a “universal otherhood” (Nelson, 1969). Compensating individual lenders for the ‘cessation of gain’ was beginning to rival the primacy of religious community.

The conservative argument has to do with the ideas that usury promoted covetousness and was detrimental to society. The collection of interest would allow people to stop working as they lent their money out at the highest rates. This competition for money would also tend to exclude the poor who could not pay the high rates of interest. And in general, the conservatives believed the wholesale pursuit of wealth would undermine a divinely-ordained social structure whereby the usurer would “gnawth and teareth out his gaine, out of the hands and lively-hoodes not onely of the commonalty, but gentry, yea nobility of this land” (Roger Hacket [1591] in Jones, 1989, p. 146).

Jones outlines the view of the world upon which the censures against usury were based, and which was under threat by new historical realities in the late 16th century, and reflects conflict between extra-economic and economic coercion (Jones, 1989, p. 147):

First, they assumed that relationships were largely customary. A person had a place in communal society, and was bound by custom to perform certain duties. There was no agreement or choice in performing them. Frequently reinforced by law, customary relationships were seldom distinguished from moral obligations. Then, too, a producer’s relationship to craft

and customers tended to be customary. The work done, the way it was done, how it was sold, and the price charged were regulated by custom and law. Second, economic ideas and ethical ideas were closely linked, and economic freedom was constrained by ethical considerations. People were not free to do as they chose, not even with their property, and economic relations were subject to considerations of morality and station. Property and wealth were gifts from God to be used as He required. Third, a person had freedom of choice only within the limitations imposed by duty to God and neighbours. These assumptions led to the expectation that the laws governing human relationships should ensure fairness and justice in economic relations.

As opposed to the way profit is a defining aspect of capitalism, surplus extraction in this context operated in terms of extra-economic customs which adhered to what was understood to be the laws of God. From the Protestant perspective at the time, there is a gradual shift in discussions of usury away from the primacy of custom outlined above. Gone are the discussions of ‘unnatural acts’, and there is more of an emphasis on Christian equity. By the 1590s, there begins to be a recognition that usury is a matter of internal conscience and that paying usurious rates was not always sinful. A focus on religious community was replaced by the primacy of the individual’s conscience guided by God, wherein “conscience and guilt are feelings that only individuals have” (Hyde, 1983, p. 131). Commentators such as Roger Fenton decried the increasing primacy of the role of individual conscience, as opposed to the more collective sense of devotion and practice which had focused on ‘good works’ (in Jones, 1989, p. 149):

For every mans Quaere is not... ‘What shall we doe?’ but what shall we thinke? Whereas cases of conscience, doe sleepe with conscience, which of all questions are the most profitable, and least regarded: so loth are men to restraine affection, and limit their actions. Yet of all such cases this of usurie hath most need to be re-

vived. For in this, the custome of sinning doth not onlely take away the sense, but the acknowledgment of sinne...

This movement from works to thoughts indicates a contraction of the social sphere and individual identity which are essential to understanding the long-term significance of the expansion of economic activity, and once again reflects Hardin’s comment that “conscience is self-eliminating” and therefore not able to form a basis for social action. Arguments about the necessity of economic activity replace ‘good works’ in the world, and conscience becomes a temporary way-station for religious community on a dislocated trajectory out of the world. As Fenton proclaims: “Let the bookish Clerks scribble what they list, we Citizens doe know that usurie is necessarie, sure it was never Gods will to forbid it simplie” (Jones, 1989, p. 149).

At this time, attention shifted from how and why usury is a sin to discussions about the importance of having a contract with the borrower so that the lender can be protected because the contract will make the debtor more careful to repay, preventing an unjust default on the loan, and discouraging the squandering of the loan, which is also a sin. Economic activity is transforming from its intermittent role in terms of the distribution and consumption of goods that were linked to harvest time, to serving the increasingly demanding needs of more complex forms of production in which money becomes increasingly commodified. Rather than production being a static given linked to agricultural output and traditional forms of surplus extraction, and the distribution of goods in local markets, emerging conceptions of the ‘culture of improvement’ led to relations in production becoming a more defining aspect of social reality. In short, economic activity began to move from the consumption side of the equation to the increasingly complex production side of the equation, to the point where “after the sixteenth century one begins to feel that the spirit of charity itself demands that capital be let out at interest” (Hyde, 1983, p. 133).

Walter Howse, in his ‘Treatise on Usury’ (1605), outlined the profile of the new, lawful

usurer, and it conveys the increasing internalization of conscience and the free rein of economics in the world. The good usurer (in Jones, 1989, p. 157):

1. lends not from greed, but from a modest desire for gain;
2. covenants for a certain gain, but is willing to remit in whole or in part if need be;
3. takes bills and bonds, but in soul is inwardly resolved to hazard the principle if the borrower loses it.
4. Though the borrower's gain from the loan is great, the lender will never charge more than the legal rate of interest.
5. The lender never takes biting interest of the rich or the poor;
6. often lends freely, without looking for the return of the loan;
7. is ready to forgive the debtor if the latter is in need, and to help in this need;
8. thanks God for all blessings;
9. takes no interest unless it is compatible with the common good.

None of these elements are new in the usury debate, but what Howse had done differently is locate all of these elements in the conscience. The logical end of these transformations in the usury debate is a religious rationale for capitalist behaviour. What followed was a reduction of usury to a matter of conscience and secular convenience. God would punish or reward the intentions of the heart, but human law could not. In the same way that the buried politics of the market economy rendered itself beyond the realm of public policy initiatives, such as sustainability, so the realm of conscience rendered inaccessible the ethical questions concerning religious community in the usury debate.

As a result of these changes in the assumptions about usury, the state should only concern itself with regulating loans in terms of the interests of society. This made lending at interest a secular economic activity with positive or negative effects on society, much like regulating monetary policy.

By separating sin and behaviour, people were free to seek economic answers to exchange rather than debating their significance in terms of ethics and scripture. The arguments against usury tended now to have more to do with the deleterious effects of high interest rates on trade and economic activity. The internalization of sin led to a redefining of the role of the state in more limited secular terms, since it could no longer regulate the relationship between individual conscience and God. Jones describes it in this way (Jones, 1989, p. 174):

By insisting that sin was an internal matter and by demanding that the individual be as free as possible to follow the dictates of God the theologians of this [Puritan] school separated the realm of the secular from the realm of the spiritual, depriving the terrestrial government of its right to enforce God's law and forcing it to turn to secular justifications for its actions. At the same time, by removing the centre of moral judgment from the community to the individual conscience they admitted that what each person intended by one's actions could only be judged by intention. This had the practical effect of freeing individual action... By disconnecting intention from action they were freeing people to act in their own self-interest in a way unheard of in English theology... The theologians had cleared the way for the emergence of economics as a science separate from theology. In the process they had given the governing classes of England a new way to analyse laws which affected markets, money, and social behaviour.

At the beginning of modernity, therefore, the separation of the sacred and the secular provided the basis for the creation of the separate spheres of the political and the economic, which are defining realities in the expansion of capitalist relations. Although these changes brought with them a sense of increased personal freedom and increased freedom of the state to make policy without reference to the edicts of God, what eventually became evident is that economic discipline became a more ruthless and vigilant

controller of human behaviour than previous forms of surplus extraction. “[F]reeing individual action” from religious restrictions had a similar function to the current calls for freeing the economy from the restrictions of public policy.

3. Moral economy and historical transformation

From him exact usury whom it would not be a crime to kill.

(Hyde, 1983, p. 117).

At the same time as the increasing primacy of economic activity was reshaping the relationship between economy and society — as evidenced in the way that discussions of usury moved from the religious frame of reference to one of economic exigency — there were transformations in relationships between groups from ones based primarily on privilege and tradition to ones increasingly defined by trade and commerce. In this transition, there were many groups who lost their position in one world and had not as yet secured a new place in the unfolding of an emergent economic order. Christopher Hill’s illustration of this period through the use of the term ‘masterless men’ who increasingly inhabited common lands and expanding cities, reflects this dislocation (Hill, 1974).

What was clear to many at the beginning of modernity was that the ‘rationality’ of economic relations which were being given freer rein in the world were also posing a serious threat to moral and religious conceptions of society. The ongoing debate on usury at the end of the 16th and beginning of 17th centuries reflects the movement of ‘lending for profit’ from being, to quote Tawney, “spasmodic, irregular, unorganized, a series of individual, and sometimes surreptitious, transactions” based on mutual aid, to being more of a systematic specialty which had particular ramifications for the various groups in English society at the time (Tawney, 1925, pp. 24–25):

Unconscionable bargains are made at all times and in all places. What gave their particular

significance to the transactions of the money lender in the sixteenth century was that they were not a mere incident on the frontiers of economic life, but touched the vital nerves of the whole social system... The crucial matter is that of the relations of the producer to the dealer with whom he buys and sells, and to the small capitalist, often the dealer in another guise, to whom he runs into debt... Almost everyone... has need of the moneylender. And the lender is often a monopolist — ‘a money master’, a maltster or corn monger, ‘a rich priest’, who is the solitary capitalist in a community of peasants and artisans. Naturally, he is apt to become their master.

That ‘lending for profit’ touched a ‘vital nerve’ of the whole system is reflected in the recognition that scarcity of the corn supply was connected to the actions of merchants and speculators, rather than just to a bad harvest. As a result, there were a series of emergency measures that were taken to ensure that people did not starve. These measures were codified during the same period as the usury debates (roughly 1580–1630) and were set out in what was called *The Book of Orders*. The emergency measures required that magistrates attend local markets (Thompson, 1971, p. 108):

... and where you shall fynde that there is insufficente quantities broughte to fill and serve the said marketts and speciallie the poorer sorte, you shall thereupon resorte to the houses of the Farmers and others using tyllage... and viewe what store and provision of graine they have remayninge either thrashed or unthrashed...

The Book of Orders therefore empowered magistrates to inventory the amount of corn in storage in a local area and to order sufficient quantities of that stock to be sent to the local market to be sold at a ‘reasonable price’ so that speculators could not make excess profits by unduly depriving people of food. By the mid-17th century, these measures linked to ‘the moral economy of the commonweal in times of dearth’ had ceased to operate for the same reasons the censure

against usury was lifted, although calls for control of speculation carried on in the countryside throughout the 18th century as the ‘nature of things’ was increasingly associated with the ‘Employment of Capital’ for which emergency measures against starvation would only “aggravate the distress which it pretends to alleviate...” (Thompson, 1971, p. 131).

In positing this new rational path based on the ‘Employment of Capital’, the proselytizers of market economics ignored the mountain of evidence related to inequality and suffering. As E.P. Thompson states concerning the repeal of restrictions on the corn trade in the 18th century and the views that underwrote their repeal (Thompson, 1971, p. 89):

This signified less a new model [of political economy] than an anti-model – a direct negative to the disintegrating Tudor policies of ‘provision’. “Let every act that regards the corn laws be repealed”, wrote Arbuthnot in 1773; “Let corn flow like water, and it will find its level”. The ‘unlimited, unrestrained freedom of the corn trade’ was also the demand of Adam Smith. The new economy entailed a de-moralizing of the theory of trade and consumption no less-far reaching than the more widely-debated dissolution of the restrictions upon usury.

The common weal was now considered to be protected by the ‘de-moralized’ laissez-faire workings of the market, rather than being protected by moral and religious restrictions. This is not to suggest that Smith was immoral or not concerned with public good, but as Thompson points out, “the new political economy was disinfecting of intrusive moral imperatives” and where “the natural operation of supply and demand in the free market would maximize the satisfaction of all parties and establish the common good” (Thompson, 1971, p. 90).

In this preoccupation with the judicious workings of the market, those who supported its expansion denigrated any protests against the rise and fall of food prices as being bereft of any moral perspective and instead portrayed these actions as being motivated by “rebellions of the

belly” (Thompson, 1971, p. 77). This denigration of protest served the purpose of masking the fact that supply and demand realities were not necessarily serving the common good as much as they were serving the merchants who self-consciously manipulated the market in corn. Thompson conveys the denigration of the protests of common people in ‘food riots’ (Thompson, 1971, p. 76):

... the common people can scarcely be taken as historical agents... intrud[ing only] occasionally and spasmodically upon the historical canvas, in periods of sudden social disturbance. These intrusions are compulsive, rather than self-conscious or self-activating: they are simple responses to economic stimuli. It is sufficient to mention a bad harvest or a down-turn in trade, and all requirements of historical explanation are satisfied.

This reductionist conception of resistance to market relations is currently expressed in the debate over ‘environmental security’, where there is increasing paranoia and denigration in the way capitalist interests portray the threat posed by what they regard as apolitical resistance from the South, as a pretext for promoting the expansion of market relations into local economies into those countries (Homer-Dixon, 1994; Kaplan, 1994; Richards, 1996). Paul Richards refers to this denigration as the ‘new barbarism thesis’ (Richards, 1996, p. xiv) promoted by critics such as Homer-Dixon and Kaplan, which attempts to portray those who struggle for self-determination in a post-colonial, globalized world as being bereft of a coherent political and moral perspective.

If it is the tendency of emergent interests to convey the expansion of market relations in terms of the obstacles it has to overcome — assuming capitalism’s existence in order to explain its coming into being, as Wood (1995) argues — it is my intention to contrast residual moral arguments linked to questions of community in the usury debate and the sustainability debate so as to transform these ‘obstacles’ to the expansion of the market into a possible basis for a viable perspec-

tive on moral economy. The sense of ‘obstacle’ associated with the clerics who resisted the movement towards an economy that had autonomy from God, law, and community in the usury debate (community abhors capital) signals the gradual removal of all impediments to the workings of market economy throughout modernity, to a point now — in the context of the emphasis on global economic competitiveness — where there is a denigration of any protest to the extension of the logic of the market (capital abhors community). Environmental concerns therefore offer the opportunity to engage in self-conscious obstructionism by claiming that there is a social frame of reference that can supersede the economic frame of reference.

4. The separation of the ‘economic’ and the ‘political’ worlds

Machine production in a commercial society involves... a transformation... of the natural and human substance of society into commodities. The conclusion, though weird is inevitable... [T]he dislocation caused by such devices must disjoint human relationships and threaten natural habitat with annihilation.

(Polanyi, 1957, p. 42).

In order to get at the analytical failure which has accompanied ecological failure (assuming the very things we need to explain), it is useful to note what Wood considers to be a defining aspect of capitalism (Wood, 1995, p. 19):

... there has been a tendency to perpetuate the rigid conceptual separation of the ‘economic’ and the ‘political’ which has served capitalist ideology so well ever since the classical economists discovered the ‘economy’ in the abstract and began emptying capitalism of its social and political content.

The separation of the economic from the political — which is so taken for granted as a given and yet so specific to capitalism — provides

capitalism with a very important defense mechanism against environmental resistance because economic concerns dominate while the political aspects of capitalism fade into the background (Hay, 1994). Without challenging the separation of the political and economic aspects in capitalism, environmentalists will be continually confronted with the economic ‘explanations’ for why things happen — it’s all so logical after all — while at the same time a more limited conception of the political realm declares that these are issues that are beyond its jurisdiction.

Just as privatization of government jurisdiction is a devolution of public power hitherto exercised by the state, so private property is an earlier version of devolution of state power to individuals or corporations from what had been a public domain. The linking of private property and the intensification of economic and technological exploitation — the benefits of which accrued to private hands — have driven the reason and the means of exploitation of human communities and natural communities. This is not to say that all previous historical epochs were without their inequalities, but the particular relations of capitalism have allowed for the intensification of these forces of exploitation (Wood, 1995, p. 31):

Not only is the forfeit of surplus labour an immediate condition of production, but capitalist property unites to a degree probably not enjoyed by any previous appropriating class the power of surplus extraction and the capacity to organize and intensify production directly for the purposes of the appropriator. However exploitative earlier modes of production have been, however effective the means of surplus extraction available to exploiting classes, in no other system has social production answered so immediately and universally to the demands of the exploiter. At the same time, the powers of the appropriator no longer carry with them the obligation to perform social, public functions. In capitalism, there is a complete separation of private appropriation from public duties; and this means the development of a new sphere of power devoted completely to private rather than social purposes.

Relating this analysis back to the opening quotation from Chatterjee and Finger, the poor are separated from their means of subsistence, and the rich are separated from public duties, and the private funneling of wealth takes no account of natural processes. So not only is there a removal of direct access to the means of sustenance, there is also a withdrawal of the appropriators from having a public function which corresponds to the scale of private acquisition of benefits. Wood (1995), p. 31) states:

The long historical process that ultimately issued in capitalism could be seen as an increasing — and uniquely well-developed — differentiation of class power as something distinct from state power, a power of surplus extraction not directly grounded in the coercive apparatus of the state. This would also be a process in which private appropriation is increasingly divorced from the performance of communal functions. If we are to understand the unique development of capitalism, then, we must understand how property and class relations, as well as the functions of surplus appropriation and distribution, so to speak, liberate themselves from — and yet are served by — the coercive institutions that constitute the state, and develop autonomously.

The processes of appropriation and accumulation which remain unaccounted for when we accept the ‘rationality’ of the economy explain why environmental problems are difficult to address. The ethical and moral aspects of the funneling of wealth on the one hand (and the exploitation of nature and humans that goes with it), and the abdication of collective responsibility on the other, are almost never discussed in the context of environmental issues. What this analysis of the evolution of capitalism points to is the recognition that the struggle against it requires a broad-based project (Wood, 1995, p. 47):

Struggles at the point of production... remain incomplete as long as they do not extend to the locus of power on which capitalist property,

with its control of production and appropriation, ultimately rests. At the same time, purely ‘political’ battles, over the power to govern and rule, remain unfinished until they implicate not only the institutions of the state but the political powers that have been privatized and transferred to the economic sphere. In this sense, the very differentiation of the economic and the political in capitalism... is precisely what makes the unity of economic and political struggles essential...

The unity of the economic and political struggle challenges the game of musical chairs that is currently proceeding within the environmental policy process, as the economic sphere expands and the public sphere shrinks, and the edicts of competitiveness come to dominate the failing concerns for the ‘public good’.

5. The politics of internalizing externalities

[There is] the possibility that the insightful (and inciteful) potential of the concept of sustainability might be quickly reduced by co-option by the very kind of world view which brought us here in the first place. I am troubled by the possibility that sustainability might become the student rather than the teacher of economic concepts.

(Ferguson (1996), p. 18.)

If indeed governments are acting for the good of all individuals in society when they are making decisions about environmental resources, why can't they too make decisions on the basis of ethics rather than of finance?

(Lumley (1997), p. 80).

The range of points of view that exist in the sustainability debate have to do with whether capitalist relations are the ‘student’ or the ‘teacher’ in this project. At one extreme are those economists such as Wilfred Beckerman who see

the sustainability debate as all but identical with the ‘maximization of welfare’ and therefore the addressing of environmental problems only requires “the old-fashioned economist’s concept of optimality” (Beckerman, 1994, p. 195). At the other extreme is the claim that “the creation of economic value requires the disvaluing of all other forms of social existence” (Esteva, 1992, p. 18) which, in turn, requires an analytic and political challenge directed at powerful hegemonic forces.

An example of these contrasting points of view can be presented by comparing differing conceptions of the relationship between conservation and development as set out in historical discussions of the environmental movement leading up to the World Conservation Strategy (1980). Geographer Bruce Mitchell presents the history in this way (Mitchell, 1989, p. 302):

When the environmental movement was reaching its initial peak in the late 1960s a situation developed in which those concerned about protecting the natural environment became the opponents of those concerned with economic development and growth. This polarization of views led to many confrontations between the two groups... as time went by, those supporting environmental quality issues created a credibility problem for themselves by consistently opposing development... During the 1980s, a significant shift in thinking appeared. The idea was presented that sustained regional economic growth and ecological integrity were complementary. This idea appeared at the core of the World Conservation Strategy...

Donald Worster refers to the same history in the relations between conservation and development, but from a very different perspective (Worster, 1993, pp. 132–133):

Back in the 1960s and 1970s, when contemporary environmentalism first emerged, the goal was more obvious and the route more clear before they became obscured by political compromising. The goal was to save the living world around us, millions of species of plants

and animals, including humans, from destruction by our own technology, population, and appetites. The only way to do that, it was easy enough to see, was to think the radical thought that there must be limits to growth in three areas — limits to population, limits to technology, and limits to appetite and greed. Underlying this insight was the growing awareness that the progressive, secular materialist philosophy on which modern life rests... is deeply flawed and ultimately destructive to ourselves and the whole fabric of life on the planet... Since it was so painfully difficult to make this turn, to go in a diametrically opposite direction from the way we had been going, however, many started looking for a less intimidating way. By the mid-1980s such an alternative, called ‘sustainable development’, had emerged. First it appeared in the World Conservation Strategy...

These contrasting descriptions of the same period in the history of the environmental movement present conservation, on the one hand, as a regulatory problem solvable within capitalist relations, and on the other, as a social and cultural project which requires a profound redefinition of the relationship between humans and the rest of nature. The central issue here in the relationship between conservation and development rests on terms such as integration and complementarity versus those of ‘diametrically opposed’ challenge and resistance.

What is defining in these two histories — and what I believe is so important in understanding the various definitions of sustainability — is how development is understood. If development is a ‘good thing’ — defined, for example, as ‘improving the quality of human life’ in the World Conservation Strategy — then conservation need not be very exigent or challenging, and therefore can ‘complement’ development by dealing with specific difficulties which cause environmental problems. But if the hue of development darkens, if there are implicit assumptions about development which cause inequality and over-exploitation, then necessarily, the conception of conservation becomes more resistant, as it challenges many of the

assumptions under which development operates. Conceptions of conservation or sustainability are therefore entirely dependent on what is understood by ‘economic development’. The question that arises here is whether the sustainability project is one that is primarily internal to the economy or external to it.

To address this question, it is useful to begin with the most commonly accepted definition that comes from the United Nations Commission leading to the creation of *Our Common Future*: sustainability is “development that meets the needs of the present without compromising the ability of future generations to meet their needs” (Brundtland, 1987, p. 43). What is abundantly clear when this definition of sustainability comes up against Wood’s analysis of capitalism, is that to link development with the meeting of ‘needs’ is entirely insufficient in analytical terms when it comes to understanding what is going on in the world today in terms of economic globalization. If what capitalism represents is the privatization of political power in the economic realm, and the pumping of surplus labour out of humans and the pumping of surplus resources out of nature, then a viable environmental initiative has to address these processes. A utilitarian discussion of ‘needs’ can tend to minimize this analytical project. As Martinez-Alier states, discussions of sustainability initiatives require “an explicit discussion of moral principles and an education in the history of science and technology” (Martinez-Alier, 1987, p. 233).

Indeed, in recent years there has been considerable work published on the moral aspects of sustainability in order to overcome what Common refers to as the “ahistorical, amaterial, and apsychological” perspectives that have dominated the economic approach to the ‘sustainability problem’ (Common, 1995, p. 5). Elliott calls for the opening up of “a political space for the expression of marginalized voices and those for whom environmental degradation is symptomatic of a broader structural oppression and silencing” (Elliott, 1998, p. 147), as does James in a discussion of the role of women in sustainability initiatives in Africa (James, 1995). Similarly, McManus argues that: “It is therefore crucial to re-explore

the concept of sustainability and to re-open some of the schisms between environment and economy... in order to re-articulate these concepts in ways not limited to the global management of contemporary capitalism in a green framework” (McManus, 1996, p. 70).

6. Conclusion: sustainability as the externalization of internalities

... possessive mastery over nature and rigorously economical thinking are partial impulses in the human being which in modern civilization have become tyrant organizers of the whole of human life.

(Brown, 1985, p. 236).

In the broad sweep of the comparison of the usury debate and the sustainability debate, there is a kind of reverse symmetry. Within the historical context of the usury debate, capitalism had begun in early modern England among the less secure merchants and tenant farmers, that is, those who did not have customary position or title to agricultural land and therefore had an interest in increased production associated with the ‘culture of improvement’. They were opposed by clerics and religious leaders in the name of deeply-rooted values linked to community, and many of these advocates held secure positions within traditional structures of authority.

By contrast, in the historical context of the sustainability debate, there is conflict between powerful economic interests which dominate the world and grant primacy to market relations, and those much less powerful environmental and community groups in the North and South who argue that there is a social and ethical connection between humans and between humans and nature that overrides narrow economic interests. The tables have therefore been turned in the relationship between commerce and society, where, in the usury debate, wider social institutions were perceived to be, at least for a time, more powerful than emergent economic interests, while, in the sustainability debate, there is no

question that economic concerns entirely dominate social perspectives which would argue for alternative trajectories than the one set out by market logic.

I have attempted to highlight this alternative perspective in the discussion of the sins of usury as set out by the Christian church at the beginning of modernity. This alternative perspective also appeared at various moments of rapid expansion in capitalism as counter-movements associated with Levelers, Luddism, trade unions, democracy, feminism, socialism, non-aligned states, and environmentalism. What defines the forms of protest listed here are not so much their complementarity to industrial capitalism, as the incommensurability of their contrasting values and relationships to the current dominant paradigm, as set out, for example, in Martinez-Alier's discussion of 'neo-narodism' (Martinez-Alier, 1987, p. 234–242). In these times of crises, it is as if there is a temporary debate between what is entering and what is leaving the historical epoch. Social theorists such as Polanyi (1957) have described this incommensurability in terms of the contrast between embedded relations — where economic relations are embedded in wider social and religious institutions — and the disembedded relations of market economics, where society and nature operate as adjuncts to the market.

Similarly, Dominique Temple points to this incommensurability of the relations between conservation and development in dramatic terms in a discussion of the relations between the Kanak people of the South Pacific island of New Caledonia and the French colonial government. Temple describes the absorption of the local culture of the Kanak into the Western paradigm of economic exchange as the 'Policy of the Severed Flower' (Temple, 1988) which amputates Kanak culture from its roots in the 'reciprocity of the gift' as the basis of social relations. If I began this article with the incommensurability of the sin of usury as it related to the beginnings of capitalism within the history of Northern economic development, the article ends with the incommensurability of a local Pacific culture and that of colonial domina-

tion and market economy. Temple asks the question: "Can the economy of reciprocity be reduced to an exchange economy?" and observes (Temple, 1988, pp. 14, 16):

That is obviously what Westerners try to do, for if the categories of the economy of reciprocity can be interpreted as categories of the exchange economy, then one system is reducible to the other and one can integrate the Kanak system into the economic system that Western society is trying to impose on the whole world... But if the answer is in the negative... all integration to a Western political economy... can be seen as suicide or treason... The roots of Kanak values are replaced with those of Western values.

As opposed to Western exchange, which is linked to accumulation, the reciprocity of Kanak gift giving is "an occasion to participate in the social being, in the communitarian being begotten by this form of reciprocity" (Temple, 1988, p. 18). In the culture of reciprocity, money is an expression of prestige which 'represents being and alliance' and 'obliges one to give, to redistribute' as opposed to taking and accumulation. What would ecological economics look like if it conceived of economic valuation as representing 'being and alliance'?

I spent many years as a commercial fisherman off the east coast of Canada. That fishery is now in a state of almost complete ecological collapse. Whereas the theoretical goals of conservation in the fishery were focused on ecological and economic stability — and were all but identical with many sustainability initiatives — the practice of conservation produced widespread depletion and dependence (Rogers, 1995). This failure is directly related to the fact that fishery managers were solving the wrong problem in the fishery. Over the last 20 years management structures have attempted to rid the fishery of the 'common property problem' and in doing so accelerated an enclosure movement resulting in depletion and dependence. As the fishery became increasingly internalized into market realities, there was a con-

tinual denigration of protest of inshore fishers who were being marginalized through the privatization of fish quotas. The moral economy perspectives of community-based groups were perceived by fishery managers to be incommensurable with a 'modern fishery'. The collective care that might have been generated in coastal communities has been rendered an impediment to the privatization of fish quotas. This is a reality that has to be understood in political terms rather than in terms of economic efficiency (Palsson, 1998).

Similarly, the idea of internalizing externalities has to be understood as a political project rather than as an economic initiative. When the internalization of externalities is seen in political terms — of transferring human communities and natural communities into forms of valuation and property that suit the market — then it becomes clear that what results is an enclosure movement that marginalizes those who are not essential to the rationalization process, as well as increasing the economic pressure on natural communities, as was the case in Canada's east coast fishery.

As opposed to pumping surplus labour out of humans and surplus resources out of nature within increasingly privatized market relations, a project that can be described as externalizing internalities offers a potential challenge to the increasing internalization of political power in the economy. If the capitalist project has been to expand the realm of economic logic, and to transfer ever larger shares of a society's political power to the privatized relations of the economy, the sustainability project associated with internalizing externalities merely extends and aids in that expansionary project, and therefore cannot sufficiently challenge appropriation and domination in capitalist relations because it does not address the political aspects of this project.

A more resistant and challenging conception of sustainability associated with externalizing internalities attempts to reclaim the political power buried internally in the economy, and externalize it by returning it to the public realm, thereby opening up the opportunity for the creation of a moral economy that can supersede market logic. The struggle is therefore to find ways to create a moral and ethical perspective that moves from the internalized conscience of the individual to reclaiming a

role for social relations ('taking back the night', as it were), and thereby reining in the forces of exploitation and domination.

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