



Austerity and scarcity: About the limits and meanings of liberal economy

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abstract

The starting point of this article is the observation that current debates on austerity and scarcity go beyond questions of economic policy. Issues of scarcity and austerity mobilise antagonistic assumptions about what it means to face economic reality. They entail specific notions about what the bounds of economy are or should be. As such, they can tell us something about the way debates about the meaning and limits of liberal economy are structured. This article sets itself the task to start unpacking the conceptual and genealogical making and unmaking of the links between scarcity and liberal economy. It argues that scarcity should be understood as a variable social device for inculcating modes of futurity. Scarcity as a device entails the articulation of modes of economic individuation and collectivisation, and is inextricably tied to a moral economy of worth.

Introduction

The recent proliferation of austerity measures such as budget cuts in public services, wages and pensions have turned forms of 'extreme economy' (Merriam-Webster, 2014) into a palpable reality in many countries. As researchers of public health tell us, the austerity cuts following the financial crisis can be understood as literally that: they cut the 'body economic' while they increase the number of suicides and infectious diseases, worsening health conditions for years to come (Stuckler and Bansay, 2013: ix, 140). Geographers speak of novel types of 'austerity urbanism' that are evolving (Peck, 2012). The most visible and dramatic consequences are municipal bankruptcies, financial emergency measures and a reduction of basic services (*ibid.*: 637). Some voices suspect that entirely new and creative forms of de-economisation and post-neoliberalism

might ensue, given that large areas even lack the resources for maintaining minimal economic circulation.

The political and economic meanings of these austerity measures are highly contentious. On the one hand, they are understood as a regrettable but unavoidable purging of inflated values, overburdening debt and unsound finances. They are seen as a return to realism in economic matters. Even those who do not subscribe to neoliberal notions of the state and market argue that the finite nature of resources has been ignored in politics and finance alike before the crisis. From this perspective, the time has come to face harsh decisions about how to allocate resources in a post-affluent society (Krippner, 2011: 22). On the other hand, current austerity policies are found to be so fundamentally ineffective and erroneous in achieving what they set out to do that they appear as a political strategy based on ideological beliefs running counter to all evidence. They have not brought the peace, prosperity and lower levels of debt they promised – instead, quite the opposite has happened in the immediate wake of these measures: the effects of austerity policies are portrayed as more debt, greater class division and added instability (Blyth, 2013: 220, 229).

As I would like to show in this article, these arguments about austerity and scarcity not only concern different schools of economic policy. They run deeper. Issues of scarcity and austerity mobilise antagonistic assumptions about what it means to face economic reality. They entail specific notions about what the bounds of the economy are or should be. They are tied to polemics about who abides in the realm of imagination and fiction and who is clear-headed enough to see the order of the day. As such, they can tell us something about the way we have set up debates about the meaning and bounds of economy. What types of economy are imaginable? What does it mean to recognise limits in resources? Why is scarcity linked to realism in matters of economy, rather than abundance?

This article sets itself the task to start unpacking the conceptual and genealogical making and unmaking of the links between scarcity and economy. Its focus is on the liberal tradition of modern economics. It should be noted that the emphasis on scarcity or finitude for defining the meaning of economy is not specific to liberalism alone (Foucault, 1973). But given that liberalism very much defines the current horizon of political and economic debate, it takes cent stage in this argument. The article selects a limited number of economists and definitions as specifically relevant regarding the role and meaning of scarcity and austerity for liberalism. Far from claiming to offer a full history of scarcity in liberal economic thought that would cover all the nuances, this paper has a more limited purposes: it seeks to provide historical insights into how scarcity is even for liberalism a

contentious issue. In addition, it aims at outlining an analytics of scarcity that can be used for understanding contemporary measures of 'extreme economy'.

The first section provides important background information. It looks at the conceptual anatomy of the connection between economy and scarcity as it has been established in modern economics. As will be demonstrated arguments about scarcity tend to shade into arguments about biological necessity, morality and politics that are incongruent with the explicit definitions of scarcity. In the second section I will look at how this definition of economy through scarcity has developed genealogically. In the third section I will attempt to use this genealogical reading of scarcity for theoretical purposes. My intention is to explore how one can study contemporary arguments about scarcity and austerity measures in a novel way. My hope is to go beyond polemics about realism and imagination, illusion and sobriety, frugality and recklessness in addressing what scarcity is about.

Scarcity and economy: The anatomy of a conceptual bond

What is economy? Hardly any current textbook of economics will answer this question without referring to scarcity.

Do you dream of driving your brand-new Porsche into the driveway of your oceanfront house? [...] Unfortunately, both as individuals and as society we face a constraint called scarcity. (Gwartney et al., 2010: 6)

With this simple question and an equally simple answer, the textbook seeks to define the notion of economy and the science of economics: in essence, they are about how a society or an individual deals with the fact of scarce resources. The famous and much-quoted definition by economist Lionel Robbins therefore still applies: 'Economics is the science which studies human behavior as a relationship between given ends and scarce means which have alternative uses' (1932: 16). Not even the mainstream in economic sociology would nowadays quarrel with this basic contention that scarcity constitutes matters of economy (Smelser and Swedberg, 1994: 3).

Alternative definitions of economy have also been suggested, notably the 'substantive' definition of economy as organising livelihood (Polanyi, 1957: 243). But there is a very dominant and widespread understanding that the formal definition of economy through scarcity, choice and calculation is an apt one. It promises to make no assumptions about which need or desire is worthy, purports not to moralise, and does not restrict itself to issues of survival and need. As Nicholas Xenos has specified in his seminal book on *Scarcity and*

modernity (1989), the centrality of the notion of scarcity in liberal economics is a result of taking the desires of the individual as a starting point for the analysis, while refraining from judgments about what kind of desire is more virtuous than another. Xenos contends that conditions of finitude can only become a generalised and eternal reality of scarcity because and in so far as desires are taken as a given and placed beyond discussion and contention. Presupposing individual desires changes how limits or finitudes are perceived and experienced:

For us [...] there are not periods of scarcity, or specific scarcities of specific things. For us there is simply scarcity. (Xenos, 2010: 35)

Xenos thus alerts us to the fact that a peculiar conversion of meaning takes place if an experience of finitude or limitedness is cast in terms of scarcity. Limits are not qualitative and regional, but general and ever present: scarcity becomes quasi-ontological. This has conceptual implications for articulating the notion of economy.

First of all, defining economy in terms of an allocation of scarce resources in a context of unlimited desire has as its flipside an understanding of abundance as non-economic. As the neoclassical and canonical economist Carl Menger puts it, if

men not only know that the satisfaction of all their needs for [...] goods is completely assured, but know also that they will be incapable of exhausting the whole available quantity of such goods for the satisfaction of these needs, [we should call these goods] non-economic. (1976: 94)

As a consequence, liberal economic thought remains silent in the face of plenty. In a recent article, the sociologist Andrew Abbott explained this foundation of liberal economics on the notion of scarcity in the following words: ‘In the context of excess, there is no scarcity, hence there can be no prices, no budget constraints, and no basis for choice’ (Abbott, 2014: 12). But how plausible is the assumption of scarcity in a world where many problems are caused by excess, ‘such as massive pollution, sprawling suburbs and glut of information’, he wonders (*ibid.*: 1). Given that abundance is no subject matter of economics by definition, this question will have to go unanswered.

We can therefore identify a first major consequence of seeing scarcity as the basis of economy: it makes it impossible to think about abundance in economic terms or to understand how abundance plays a part in an economy defined by scarcity. This can be illustrated by looking at innovation and invention. Innovation needs to consume resources for outcomes not yet known. One spends without knowing if and when the resources involved will pay off. They might turn out to be wasted in the slow, uncertain and often unsuccessful

process leading to new products or markets. It is hence not very surprising that the issue of innovation is frequently used to highlight the limits of liberal interpretations of economy as scarcity (Latour and Lepinay, 2009; Beckert, 2002). As soon as innovation, creativity or change come into focus, the definition of economy through scarcity appears as an obvious setback – it is too closely linked to a situation where an individual faces a set of *given* goods or services.

Secondly and consequently, if scarcity is defined by a relation of potentially unlimited desires to a context of given and limited resources, the notion of choice becomes paramount. In the liberal tradition, the definition of economy through scarcity is inextricably tied to a moment of decision. The subject has to choose, needs to hierarchise and prioritise his or her preferences – either because the supply of goods is limited or because the time to enjoy them is limited. In a context of scarcity, choosing one thing always means to forego another, and to bear the risk of this decision. The meaning of economy is therefore tied to a scene where a subject decides. There is always an individuated entity observed in relation to choices that need to be or have been made. Mostly, this entity is understood to be a single individual, the economic actor, torn by desires, finitudes and preferences. The economy or society as a whole appears only as a result of aggregated choices (Schabas, 2006: 14). This multiplicity of individual choices, the result of calculating the best use of resources in a context of scarcity, is seen to provide for the best allocation of available resources.

Thirdly, this constitutive relation between scarcity and choice has further consequences for the peculiar type of rationality we call economic. Given that resources are scarce, rationality always resembles an act of optimisation amongst various courses of action: acting rationally means to achieve more with less. In this sense, economising becomes the equivalent of saving. It is tantamount to a restrictive management of expenditure. On the surface, modern liberal definitions of economic rationality therefore seem to chime with an ancient definition of economy as frugality. The notion of economy as a ‘frugal’ use of resources goes back to the ancient meaning of economy as defined by Aristotle, amongst others, and in use up to the 18th century. In this definition, economy was linked to the ideal of careful management of one’s household (Schabas, 2006: 4f). But this rather generalised meaning of economy is circumspect, and a modest use of resources should not be misunderstood as being synonymous with more modern definitions of economic rationality as minimising resources for maximising outcomes. The latter is closely wedded to methodological individualism and a formal account of scarcity, whereas the former addresses the substantive needs and resources of a collective unit: the *oikos*. The terms frugality and saving can have rather different implications depending on the formal or

substantive definition of scarcity and, even more decisively, depending on the entity it is associated with.

To sum up, the definition of abundance as non-economic per se, the individuating notion of choice and the formal definition of economic rationality as an act of minimising resources for maximising outcomes in a given situation are the three elements associated with scarcity in the modern tradition of liberal economics. This account of economy claims to eschew any reference to scarcity as a simple fact of nature and prizes itself for dispensing with moral definitions of desires and needs. Nevertheless, this purportedly non-moral and non-substantive understanding of scarcity turns out to persistently evoke biological and moral resonances undermining its self-description. I would like to end this first section by illustrating this puzzling presence of biological and moral aspects in the formalist economic discourse on scarcity. This will be done in a rather non-systematic and anecdotal manner. Detecting such moral and biological references in diverse strands of liberal economic thought only serves to highlight a puzzle, but not to solve it or make any systematic claims about it.

Although economic thought has been characterised as having ‘denaturalised’ the question of economy (Schabas, 2006), assumptions of scarcity have often been associated with questions of survival, of needs and environmental limits. Environmental concerns have been marshalled to bolster arguments about scarcity. In these ecological critiques, scarcity is not related to needs, but absolute: what we are dealing with are the geophysical and biological limits of Earth. Regardless of these different notions of scarcity, commonalities between liberal economics and certain types of ecological critique do exist. The argument being that the economics of scarcity answer and serve the ecological demands for a less wasteful and more sustainable use of resources. What is this link between ecological and economic limits about? Is there any constitutive connection between formal definitions of scarcity and substantive ones, even if liberal discourse claims the opposite? At this point, we cannot yet answer this question, but only take note of a curious presence of references to issues of survival, biological necessity and natural limits in modern definitions of scarcity, which otherwise explicitly opt for a formal account of limits. Stanley Jevons (1965), for example, one of the founding fathers of neoclassical economics, was preoccupied with the limits of coal and the relation between sun spots and economic growth. At the same time, Jevon’s writings turned economics into a most formal and ‘denaturalised’ utility of accounting. Likewise, neoliberalism shares this tendency to evoke biological references in its account of scarcity, even if it has a very different take on the economic actor, her choices and the limits she faces in all other respects. Friedrich Hayek, perhaps the most famous representative of neoliberal thought, can serve as a case in point. Otherwise known for his account

of economy in terms of information and coordination, Hayek does not subscribe to the notion of equilibrium or the simple account of maximising behaviour neoclassical liberalism is known for. To him, the piecemeal aggregation of information is the key to understanding markets. But even though Hayek regards knowledge as potentially unlimited, he nonetheless retains a notion of scarcity on the level of matter and life (Hayek, 2006: 39). Hayek argues that the lifestyle of the population depends on the market order (Hayek, 1988: 131). He argues that the market is a matter of life and death, given that we are dealing with limits imposed by the material world (*ibid.*). Again, we find a puzzling presence of biological references in establishing the meaning and limits of an economics of scarcity. How to deal with this puzzle is the task of the following section. Before that, there is another puzzling presence to take note of: the persistence of moral arguments in the economics of scarcity.

Although modern liberal economic theory claims to abstain from moral arguments, scarcity and the attendant restriction of resources appear to be not only an economic, but also a moral virtue. Saving instead of squandering resources has accrued an air of righteousness and virtue. Max Weber (1958) has famously argued that a religious valuation of work and parsimony has been a necessary and constitutive aspect of the historical emergence of the specific form of capitalism he calls occidental. It is defined by continuous acts of rationalisation, i.e. by acts of minimising the means for maximising the ends. Weber argued that this religious esteem for parsimony, saving and work had an important role to play for inculcating the capitalist ethic, but becomes dispensable once it has been put into place. But pace Weber there are still many instances where this interlacing of economic and moral arguments for saving and scarcity can be observed. The discourses on debt are exemplary in this respect. As the historian of culture Leon Calder has noted, debt used to be associated with 'thriftness' in the nineteenth and twentieth century (1999: 24). It was presented as undermining the values of scarcity, which are about 'discipline, hard work, budgeting, and saving' (*ibid.*: 31). In these discourses about debt, scarcity not simply appears as a fact of economic life, but as saturated with moral valence. The moral admonition and blaming of those in debt as having failed morally and economically shows the extent in which the definition of economic rationality resonates with a moral coding of what is proper. Again one can see that, despite scarcity and saving being introduced as value-neutral and formal presuppositions of modern economics, one still finds impurities. How did our notion of economy turn into such a conglomerate of resonances oscillating between finitude, desire, biology and morality?

Genealogies of scarcity: Moral economies of futurity and collective economies of expenditure

Genealogies, as Foucault defined them, are a specific mode of doing historiography (Dean, 1994; Foucault, 1977). The attention is focused on tracing the impure and contentious origins and multiple elements of what appears to be a simple fact – such as scarcity. A full genealogy of scarcity would be beyond the scope of this paper, of course. But based on broader research into how life and money have played a role for defining and re-defining the liberal notion of economy (Tellmann, 2013; Tellmann, forthcoming), I would like to present two snapshots of this genealogy. Specifically, I am interested in elucidating the impurity of scarcity as an economic fact: the role of bioeconomic necessity, the moral resonances it evokes, and the question which entity economising acts refer to. My genealogical research is focused on two figures of liberal economic thought that were crucial for defining or redefining these issues of biology, morality, individuation and economic collectivity: Thomas Robert Malthus and John Maynard Keynes. They can be regarded as opposite poles of the manner in which the meaning and significance of scarcity have been defined in liberalism. Taken together, they provide us with information about the melange of biological, moral and political arguments found in statements concerning economic scarcity.

Malthus is widely known as a demographer and political economist who made the issue of ‘bioeconomic necessity’ (Dean, 1991) paramount for liberal discourse. Malthus is usually seen as having tied classical political economy to question of nature and life. This occurred through his notion of population. With Malthus, scarcity bore relations to the fear of overpopulation: bodies procreating in abundance, ignorant of the finitude of Earth herself. Malthus has served as an important reference point for many ecological critiques of growth. Looking at this work will tell us something about the puzzling presence of biological finitude in economics of scarcity.

A genealogical reading of Malthus turns out to challenge the ecological interpretation of scarcity. Contrary to the first impression, Malthus was not concerned with the absolute limits of natural resources at all. He puts this succinctly: ‘[A]llowing the produce of the earth to be absolutely unlimited, scarcely removes the weight of a hair from the argument’ (1986: 461). Another specification is added:

In this supposition no limits whatever are placed to the produce of the earth. It may increase for ever and be greater than any assignable quantity; yet still the power of population [will be in] every period so much superior. (*ibid.*: 13)

This means that Malthus is not talking about absolute limits. Neither does he speak of local and initial limits of natural resources: '[Nature's] first intercourse with man was a voluntary present', he says, pointing out that there is 'extreme fertility of the soil' and mostly abundance in natural production facilities (Malthus, 1986: 392, 271; 1986b: 113). Curiously, environmental or ecological concerns are not paramount for understanding scarcity, yet issues of survival and population are clearly present.

Malthus' discourse on population and food is less about natural limits and universal scarcity per se than it is about the objects of desire and the temporality of their fulfilment. Malthus did not take the multiple desires of men for granted as Xenos argued for the liberal tradition (1989). Malthus was worried about the kind of desires corporeal beings might have, and feared a lack of desire for objects that required work and patience to be consumed. He was preoccupied with the risk of an overpowering immediacy of bodily needs: procreation and food. Steeped in the colonial hierarchies of European modernity, Malthus placed the immediacy of physical desire amongst those he regarded as less civilised. Savage life was the true embodiment of the principle of population, understood as a life force that would 'start forward at every temporary and occasional increase of food' (Malthus: 1986: 171 and Fn 20). It is only among 'animals and the uncivilised states of man' that this phenomenon of turning abundance into scarcity can be found: 'Resources that are not distributed to the lower classes would give no stimulus to population' (1986: 28). In this account of scarcity and population, issues of survival and need are therefore mediated by a cultural hierarchy that distinguishes a worthy, civilised life on the one hand from an unworthy, uncivilised one on the other. The biological resonance of finitude is tied to a civilisational hierarchy of becoming human and civilised, placing 'savages' with 'animalistic' urges at the bottom.

In this account of population growth and its limits, economic and moral facts are constitutively intermingled: certain life forms, deemed to be savage and closest to nature, are not to be trusted with the given abundance of resources. 'Savage life' would 'eat away' the possibility of economic progress. Confronting 'savage life' with a scarcity of resources therefore means enforcing a consideration of the economic future. In this discourse, scarcity can be seen as a means of teaching 'savage life' to wait, work and desire objects produced over time. Scarcity inculcates a sense of futurity in those assumed to be 'too savage' to think ahead, save and wait. Scarcity of resources is therewith not a fact, but a device enforcing the use of resources in light of a future fulfilment of object-related desires.

Far from being a non-moral or non-regulatory discourse on desire, scarcity therefore entails a moral economy. I am deliberately using the term moral

economy here to highlight the constitutive interlacing of economic and moral categories in modernity. The term 'moral economy' has been most famously coined by Edward P. Thompson (1971). He used it to explain the motives and resources of riots and rebellions emerging in the context of industrialisation and marketisation at the end of the 18th century. To him, 'moral economy' denoted a pre-modern set of 'passionately held' beliefs about obligations, rights and duties perceived to be violated by the emerging new order. More recently, the term 'moral economy' has been broadened to include the variable sets of affects, standards and sentiments sustaining modern practices, claimed to be independent of this web of values and sentiments (Daston, 1995: 4; Fassin, 2009: 1257). Following this more recent use, the term 'moral economy' here refers to the inescapable hybridity of accounts of economic worth and value. Malthus' argument about population growth and its natural limits implicates such a 'moral economy'. Scarcity functions as a device for teaching 'savages' the 'proper' use of given resources because they cannot be trusted to do so on their own. Seen this way, the links between scarcity, saving and economy become ever more tenuous and complex. They now appear as variable and moral means for creating economic futurity.

The tenuousness of the relation between economy and scarcity and particularly its moral undertones were exposed and unravelled at the beginning of the 20th century in the writings of John Maynard Keynes, still an implicit and explicit reference point for all critiques of austerity and scarcity today. Many of the current critiques of austerity measures turn to a Keynesian notion of macroeconomics and demand management to make their case. Putting it bluntly, the Keynesian argument against austerity rests on the assumption that spending and consumption cannot be restricted by everybody without worsening the situation of unemployment, poverty and depression: 'If we all save (the very definition of austerity), we all fail together as the economy shrinks from want of demands' (Blyth, 2013: 128). Consumption is thus seen as a key for keeping the economic engine running. Keynes showed himself amazed that 'there are still people who believe that the way out can only be found by hard work, endurance, frugality, improved business methods, more cautious banking and, above all, the avoidance of devices' (Keynes, 1972: 336).

In the context of a genealogical reading of scarcity, Keynes' writings are also interesting for other reasons than the intervention they enable in policy debates. Keynes' problematisation of scarcity targets its moral connotations. More specifically, he exposes the moral righteousness of saving and restraint as connected to scarcity. Keynes describes the act of saving money and attendant restriction of consumption as governed by a religious preoccupation with immortality. He muses that for the liberal economic subject

jam is not jam unless it is a case of jam tomorrow and never jam today. Thus by pushing his jam always forward into the future, he strives to secure for his act of boiling it an immortality. (Keynes, 1972: 330)

The act of saving is owed to an 'instinct to restrict' as cultivated by 'old gentlemen tightly buttoned-up'. Keynes likens this moral notion of saving to a cultural convention pervading the financial system: 'bankers', he asserts 'are the most romantic and least realistic of all persons [...] it is part of their business to maintain appearances and to profess a conventional respectability'. A banker, he continues, 'is not one who foresees danger and avoids it, but one who, when he is ruined, is in a conventional and orthodox way along with his fellows, so that no one can really blame him' (Keynes, 1972: 156).

But moral ridicule and revaluation not yet amounts to re-conceptualising the ties between economy and scarcity. Keynesian anti-austerity politics rely on a second shift, which consists in posing the question for which entity saving and scarcity are indeed economical. What is the value of saving if one seeks to produce economic futurity not for the individual alone but for the 'economy as a whole'? Keynes argues that our notion of economy, insofar as it does not apply to the individual alone, cannot be defined by scarcity alone. He diagnoses a 'fallacy of composition', which reasons 'by false analogy from what is prudent for an individual' to what benefits the economy as a whole. It seeks to 'conduct the state by maxims which are best calculative to enrich an individual' (Keynes, 1972: 232; 1973: 131). The argument about the 'fallacy of composition' does indeed result in the politics of demand mentioned above. But something else is at stake as well: the very question of how to conceptualise the actual entity to which one's notion of economy applies. If it is no longer simply an individual and the aggregation of individual choices, what is it then? And how does the notion of economy change if this entity changes?

For Keynes, the answer to this question resided in a national concept of macroeconomics that was based on a novel conceptualisation of financial circuits. As Timothy Mitchell (1998) has argued, this national notion of 'the economy' has acquired such a self-evident meaning that one easily forgets how recent its 'invention' is in the twentieth century. Mitchell problematises the manner in which Keynes conceived of the macro-economic entity mainly in terms of monetary circulation while assuming that growth is possible 'without any problem of physical or territorial limits' (Mitchell, 2011: 139-140). In this respect, Keynes is found to ignore the one condition of possibility on which his notion of economy rests, and the question of limits it poses: the consumption of cheap and easily available oil that did not appear in the measures of economy in terms of GNP, national income and labor. It is indeed the case that what has come to be known as Keynesian policy of macroeconomic growth, especially as

they have been played out in development policies, is justifiably criticised today – not only on ecological grounds but also because they are so firmly wedded to a specific type of ‘methodological nationalism’, a growth imperative, and the expert management of a macroeconomic entity defined by an established set of statistical variables that have been black-boxed.

But the genealogical line of investigation that guides this analysis can also be used for other purposes than a critique of nationalised notions of macro-economy. One can retain the questions raised by Keynes without necessarily adopting the answers of Keynesianism. If one factors out Keynes’ answer to the question what economy is if not a type of efficiency linked to individual conduct, one is left with an analytical and theoretical problem. This concerns the way one conceptualises the entity the notion of economy refers to. Considering and reconsidering the ‘value of saving’ is tied to questions of economic collectivity or individuation. What kind of totality does economy refer to, and what is changed in our notion of economy if our concepts of this totality change? The Keynesian critique of scarcity has made this a pressing issue, even more so if the Keynesian answer to this question is no longer self-evident.

Scarcity as the study of how economic futures are made: Budgets, orders of worth, and economic collectivities

The genealogical reading has yielded – in economic parlance – some valuable returns. It has highlighted that the meaning of scarcity is more complex and varied than expected: it appears as a social device that is suffused with a moral economy of worth, closely tied to an understanding of economic futurity, and inextricably linked to an act of individuation. It defines particular entities for whom or which an economy and a future is invented. I am using the term ‘invention’ here because it supports an understanding of the variability and prosthetic quality of such tools for defining economy. Scarcity is not a general economic truth, but a particular and malleable device that sustains specific modes of individuation and economic futurisation. As such, it allocates and orders where abundance applies and where restriction is called for. How can we turn this re-articulation of scarcity into an analytical framework for current economic practices?

In this concluding section, I would like to link the genealogical findings to a discussion of recent developments in social and political theory aimed at rethinking economy. This calls for some methodological justification and explanation. Usually, a genealogical analysis is used to ‘alienate’ ourselves from the self-evidence the social order has acquired. The historical ‘estrangement’ is

already a worthwhile outcome of a genealogical analysis (Dean, 1994; Foucault, 1977). Genealogies allow the question of what should be included in one's own conceptual repertoire to be left up in the air. No theoretical commitment is necessary. At the same time, genealogical analysis does not prohibit such commitment to a particular analytical perspective, of course. Foucault himself oscillated between subjecting notions to genealogical analysis before or while using them as part of his own theoretical toolbox. Combining genealogical and theoretical analysis means going back and forth between the novel understandings generated through the act of historicization and the theoretical commitment to a particular perspective an analysis is based on. This unstable middle ground between genealogy and theory can be claimed in various ways. Within the limitations of this article and for my current purpose, I will use the findings of the genealogical analysis of scarcity as a guide for selecting a number of theoretical and analytical perspectives that can be fruitfully combined and supplemented with them. This procedure lays no claim to being complete. It is rather to be understood as a starting point for turning a historical analysis into an analytical framework.

The first and most fundamental finding I take from my genealogical analysis is the insight that scarcity is a problematisation of economic futurity. This makes the temporal dimension paramount. Scarcity is a device for engendering economic futurity. Niklas Luhmann had a similar take on scarcity, arguing that we should only speak of it if the experience of a limit is tied to a question of futurity (Luhmann, 2009: 260). But what Luhmann was less intent to emphasize: it is a variable and specific device that can be molded differently.

What enables us to think about scarcity as a variable social device that organises the experience of limitations and abundance in the light of an understanding of economic futurity? What theoretical toolbox will help us spell out how this device is inextricably linked to an act of individuation or totalisation? And how can we advance an analysis of the moral economy of worth implied by the question of who can be entrusted with given resources? Three different but related approaches can be brought to bear on these questions: the study of budgeting as a technique of economisation as developed by governmentality studies, the study of 'orders of worth' as promoted by the convention school, and the political and social theories that explore novel conceptualisations of collectivity and totality. I will discuss each in turn.

In recent years, studies of liberal governmentality have brought questions of budgeting and accounting to the fore. Linked to the broader field of the social study of accounting and finance, there is an elaborate scholarly debate on how economisation is shaped by budgeting techniques. Budgeting is an indispensable

technique for turning scarcity into a palpable and manageable reality. This is not to say that every budget is necessarily about 'scarce resources and hard choices'. Budgeting can also be used as a social technique for 'allocating funds to meet norm-defined needs', as Stephen Collier (2011: 164) points out in his study of the Soviet economy's transition to a market economy. But, as he continues, 'the ideal typic view of budgeting' assumes that 'revenue constraints expenditures' and hence 'imposes the fundamental fact of scarcity' (*ibid.*: 168). Max Weber had already pointed out how the accounting technique of 'double entry book-keeping' is a *sine qua non* for putting economic rationalities of saving and optimisation to work (Weber, 1996: 39-40; Carruthers and Espeland, 1991). Budgets are hence enactments of scarcity for particular units. Scholars working with a Foucauldian perspective on governmental technologies have demonstrated how individuation and responsabilisation are linked to such enactments of scarcity. Accounting figures are involved in 'making up' economic entities and lend visibility to their actions: 'To know oneself here means to know the costs of one's actions, or the extent to which one has achieved a particular financial result or norm' (Mennicken and Miller, 2012: 8). Accounting methods enable the singling out of items that should be the object of optimisation, saving or improved efficiency. Budgets are calculative tools that make acts of economization possible (Caliskan and Callon, 2010). From this vantage point, to study scarcity would be to examine budgetary enactments of it. From the genealogical reading above we can add two foci as having particular importance: firstly, how does budgeting entail modes and models of producing economic futurity? And secondly, how are the processes of 'making up' or individuating economic entities tied to enactments of scarcity?

As the genealogical reading of Malthusian fears of scarcity has shown, the devices of scarcity are embedded in cultural orders of worth. They are part of a moral economy where specific types of behaviour are classified as more civilised or worthy and more economical at the same time. Saving and deferment, restriction and restraint emerged in a project of civilising, mobilising and temporalising modes of living. Instead of the usual juxtaposition between morality and economy, a genealogical reading of the nexus between scarcity and population has uncovered a constitutive entanglement of normative and economic orders.

Recently, this interdependency has become a focus of interest for economic sociology again. Specifically the debate on 'economies of worth' has picked up on this intermingling of economic and politico-cultural modes of valuation (Boltanski and Thevenot, 2006; Boltanski and Chiapello, 2007). As David Stark attractively framed it, 'the polysemic character of the term – worth – signals concern with the fundamental problems of value while recognising that all

economies have a moral component' (Stark, 2009: 7). Questions of economic valuation shade into 'evaluative frames and judgments that can all be traced back to specific politico-institutional configurations and conflicts' (Fourcade, 2011: 1769). Models of normative and political justification that articulate various types of hierarchy, distribution, or subjectivity are therefore traceable in economic categories of value, worth, cost and benefit (Boltanski and Chiapello, 2007). Presently, the study of 'economies of worth' is focused on how particular models of 'justification' or particular assessments of 'quality' are brought to bear on situations where economic valuation takes place. From a genealogical vantage point, one can deepen and broaden this debate. Instead of relying on rather 'static' accounts of a limited number of models of 'orders of worth' distilled from historical analysis (Vatin, 2013), genealogy opens up a more varied field of inquiry into moral economies of scarcity. The question here is how cultural divisions and fears are mobilised in arguments relating worth to scarcity – or abundance. Whose use of resources appears as a danger to all? Cultural orders of worth are not only based on fixed models of various polities, but also on mobile divisions and hierarchisations of norms, as the genealogical reading of Malthus has demonstrated.

As mentioned above, scarcity is more than anything a device for inventing economies. It translates limits into social codes and constraints. Understanding it as a specific economic device implies an assumption of its particularity. This tasks us with specifying where it is applied and enacted in a social body. While economic science portrays scarcity as a general corollary of the desiring subject, the devices for turning 'extreme economy' into a necessity of conduct and organisation are not general: they do not apply everywhere to the same degree. One way of understanding this varied enactment would be to link it to a study of how modes of individuation and collectivisation are embedded in dispositifs of scarcity. The genealogical reading of scarcity has brought to the fore issues of defining the entity scarcity refers and applies to – just as scarcity entails an individuating device, it also links up with a notion of the economy as a whole.

Models of economic collectivity or totality are not only at work in the obviously politicised accounts of 'the economy' Keynesianism is known for. Michel Foucault has pointed out in his lectures on governmentality that the liberal dispositif of scarcity can entail an articulation of economic totality which is not necessarily tied to a national, managed macro-economy. He explicitly links his discussion of liberal notions of scarcity with that of how levels of the 'individual and the collective' are newly articulated in this governmentality. Foucault reframes these poles in terms of the relevant object of intervention, arguing that the liberal dispositifs of scarcity take the population as the pertinent level, distinguished by 'an absolutely fundamental caesura' from 'the multiplicity of

individuals who will not be pertinent'. As opposed to portrayals of liberalism in terms of its radical individualising foundations, Foucault points out that we are dealing with a particular framing of a figure of collectivity that is divested of shared experience. For liberalism, scarcity is no longer a 'scourge' that organises a common experience of hunger, a 'kind of immediate solidarity, the massiveness of the event'. Instead, liberal dispositifs of security will break up this massiveness by allowing that for

a whole series of people, in a whole series of markets, there was some scarcity, some dearth, some difficulty in buying wheat, and consequently some hunger, and it may well be that some people die of hunger after all. But by letting these people die of hunger one will be able to make scarcity a chimera and prevent it occurring in this massive form of the scourge typical of the previous systems. Thus, the scarcity event is split. The scarcity-scourge disappears, but scarcity that causes the death of individuals not only does not disappear, it must not disappear. (Foucault, 2007: 42)

Foucault contends that liberalism engenders a particular notion of economic collectivity that is absolutely crucial for the way it situates, frames and problematises questions of scarcity. Foucault's analysis confirms the importance of thinking about how dispositifs of scarcity not only articulate the individuated entities an 'extreme economy' applies to, but also an economic totality of circulation and collectivity. Liberalism is not unified and self-same as a political logic, and problematisations of 'the' economy are changing historically. What this calls for is a study of these articulations of economic collectivity or totality in economies of scarcity.

Coda: Scarcity and austerity

In lieu of a proper conclusion to this tour de force through the conceptual, historical and analytical discussions of scarcity, I would like to return to my initial observation on scarcity and austerity. The issue of scarcity, as I suggested at the start, is particularly entrenched in polemics about being realistic in matters of economy. The aim of this article has been to transform this polemical rendering into a more nuanced understanding of scarcity as a social device open to various articulations and modulations. Economic orders are artifice in the best sense of the term: they are creative inventions. To what extent scarcity entails a recognition of ecological limits, to whom it applies, and how it relates to novel economies of living are all up for invention and critique.

Today, scarcity has emerged as a hotly debated and politicised issue under the name of austerity. But is scarcity really just another name for austerity, or are austerity measures the mere application of scarcity? How these questions are

answered depends on how exactly austerity is defined. The recent debate on austerity measures holds a very precise meaning: it addresses a budgetary policy of fiscal retrenchment by the state. It signifies the ‘policy of cutting the state’s budget to promote growth’ (Blyth, 2013: 2). In this case, austerity specifically pertains to the public management of resources and the role of the state in the economy. It addresses the relations between market and state and specifically demands that expenditure be restricted or services cut from the public sector.

Even if austerity is to be differentiated from scarcity in this specific sense, the inclination to call for these cuts in public services is not unrelated to above notions of the latter. The individuating understanding of economy as a choice between scarce resources renders (liberal) economic thought particularly ‘suspicious’ where the state and public management of resources are concerned. There is a lingering suspicion that artificially imposed entities such as a state can only lead to less beneficial and less efficient choices in the allocation of scarce resources. The political class, especially in a democracy, is regarded as prone to subordinating the spending of economic resources to the political game of securing a majority, and their own political careers. As an economic actor, the government will therefore occasion choices for limited resources that are not geared to produce growth but votes. Hence, the ultimate reality of scarcity is better served by economic actors beyond the state: only proper individuals make appropriate economic choices. As Mark Blyth has pointed out in his ‘natural history of austerity’, this ‘sensibility’ to the state leads to ‘austerity policies’. Austerity is therefore linked to an assumption of scarcity even in the absence of a ‘well-worked out “theory of austerity”’ in liberalism (*ibid.*: 99).

Austerity and scarcity are thus not necessarily synonymous, but can be made to overlap completely, depending on one’s definition of austerity. If it is not specifically addressing issues of state finances and cuts in public spending, austerity currently refers to the experience of harsh or extreme forms of economy. In the latter case, austerity can be regarded as potentially synonymous with the modern notion of scarcity. It hinges on the definition of economy as an individuated experience of choice in a context where limited resources are faced with unlimited desire.

This is not to say that the meanings of austerity and scarcity are fixed. If austerity is understood as part of a cultural policy of ‘permanently consuming less’ (Braham, 2013: 10) to interrupt patterns of consumption and growth, one is confronted with something else than ‘harsh’ economies of choice. Instead, a politics of desire and consumption is at stake, called ‘anti-consumerism or eco-austerity’. We are not dealing with methodological individualism. To what extent these cultural politics of desire and consumption disrupt the moral economy of

scarcity outlined above is an open question. It is hardly possible to do justice to these forms of inventing alternative forms of austerity, and to discuss their implications and political meanings, in this context. They could be seen as experiments in recasting the meaning of economy, austerity and scarcity. The papers in this special issue on 'collective low-budget organising' engage with these experiments on an analytical level. Both the analytics of scarcity and the practical attempts of challenging inherited patterns of consumption and living in a situation of enforced austerity might benefit from a discussion of how the connections between economy, austerity and scarcity have been established historically. As Henri Bergson has put it, the novelty of the future is a correlate of the depth of the past one can mobilise.

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