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# A local economy before its transition to the market economy – A case study of a German village

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## Abstract

This work examines the socio-economic context of the small town of Eichelborn in the Westphalia region of Germany. There, a local and ‚moral' economy existed until the end of the 1960's that resisted the forces of integration into a wider self-regulatory market system for an exceptionally long time, continuing to rely primarliy on simple crafts production and small-scale farming for the local market. Employing mainly qualitative methods, the aim of research was to describe the economic and social structure of this place as well as to determine whether it functioned according to the principles of a pre-market society as indicated in Karl Polanyi's writings. The findings of my research show that one can, indeed, understand Eichelborn as a Polanyi-type community and as a ‚moral' economy in which a strong interrelation and unity between the social and economic realms result in the reconciliation between ‚personal self-interest' and ‚morality'.

Cette étude consiste en l'examen de l'environment socio-économique de la petite ville d' Eichelborn, située dans la region de Westphalie, en Allemagne. Dans cette localité, une économie à la fois locale et ‚éthique' s'est maintenue jusque la fin des anneés 60; une économie qui a su résister pendant un temps exceptionellement long aux forces d'intégration vers un systéme de marché auto-régulé plus large et ce, principalement au moyen d'une simple production artisanale et d'une agriculture à petite échelle, destinées au marché local. Basée eseentiellement sur des méthodes d'investigations qualitatives, l'objectif de cette recherche est de décrire le tissu économique et social de cette localité et de déterminer si elle fonctionnait selon les principes de la société antérieure à celle de marché, tels qu'énoncés dans ses ouvrages par Karl Polanyi. Les résultats de ce travail montrent que l'on peut effectivement comparer la cité d'Eichelborn à une communauté de type ‚Polanyi', avec une dimension ‚d'éthique économique' reconnaissable à une forte interrelation, voire même une unité entre les domaines économique et social, résultant d'une symbiose de l'intérêt personnel avec la société morale.

# CONTENTS

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## Introduction

The globalization of markets, the decreasing ability of smaller social units to influence global processes as well as the ecological problems that develop in this context have directed my interest to the village as my unit of research. It was also my interest in recent regionalization and ecology movements as a reaction to the global environmental crisis that led me to visit several villages in Germany where such movements have arisen in the last two decades.

The environmentalist critiques of the current economic system of modern capitalism focus not only on environmental destruction and over-consumption, but also stress that it degrades and demeans communities in developing as well as in developed countries. Critics emphasize that a large part of the world's population has lost the means and the ability to provide for itself and has become dependent on a single, highly unstable economic system that produces societies with low altruistic concern. A further point of criticism of the current global economic system is its lack of accountability with regard to the environmental and social costs it causes worldwide.[1]

Alternatives that have been proposed include bioregionalism[2], local economic circuits and money systems[3]. It has been valuable for the alternative-seekers to examine current bioregional endeavors, for example eco-villages[4], as well as traditional local economies[5]. The basic idea of regionalism includes the search for a mode of life in harmony with a natural ecological region that is neither too large for control, nor too small to be economically self-sufficient. As Kirkpatrick Sale, one of the main proponents of bioregionalism, describes it:

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[1] See for example Mander, J./Goldsmith, E. (1996); Birnbacher, D. (1997); Sachs, W. (1993); Naess, A.(1989).
[2] For example Sale, K. (1985).
[3] For ex. Douthwaite, R. (1995); Meeker-Lowry, S. (1988).
[4] For example those organized in the International Ecovillage Network G.E.N.
[5] Norberg-Hodge, H. (1991).

"a bioregional economy would depend upon a minimum number of goods and the maximum use of human labor and ingenuity...,for industry, on local crafters and artisans rather than factory production, on natural materials and nonpolluting processes, emphasizing durability and quality...A self-sufficient bioregion would be more economically stable, more in control of investment, production and sales, and hence more insulated from the boom-and-bust cycles engendered by distant market forces or remote political crises."[6]

My interest in this bioregional movement which deliberately organizes itself toward the promotion of local economic and environmental viability has led me to Eichelborn where a regionalization initiative has developed and where a local economy existed up until the late 1960's. This small town in the Westphalia region of Germany provides an opportunity for studying a traditional local and 'moral' economy very closely, both geographically and historically. Eichelborn has resisted the forces of integration into a wider self-regulatory market system for an exceptionally long time, continuing to rely primarily on simple crafts production and small-scale farming for the local market only, retaining something as close to a subsistence economy as one would likely find in the 1960's in northern Germany[7]. But by the mid-1960's Eichelborn underwent a rather sudden transformation from its erstwhile relative autarky to full integration into the larger market economy of the region and the world. That this experience has not been, however, an undivided blessing in the eyes of its citizens can be seen in the recent development of the local regionalization initiative 'Eine Region denkt um' ('a region re-considers') which aims to revive some of the original economic arrangements and undo some of what are viewed as the negative effects of integration. Neither the reasons for the exceptionally long-standing resistance to integration, nor the determinants of its relatively sudden collapse in the late 1960's nor, for that matter,

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[6] Sale, K. in. Mander, J./Goldsmith, E. (1996): 480ff.

[7] For the location of the research site see the maps at the beginning of Chapter 2.

the reasons for the subsequent regrets and the emergence of the regionalization movement are as yet well understood.

This thesis will focus on analyzing one part of these questions. It will examine in detail the characteristics of the economic and social structure, i.e. the local economy of the town before its transformation. One aim of the investigation is to shed light on the determining social and economic characteristics that such a society used to be and would need to be based on. When proposing small-scale solutions to the environmental and social problems of the global capitalist system, critical questions have always been whether they would be feasible, whether such solutions rest partly on a false image of what traditional communities were like, or whether they do not run contrary to human nature, in general, and are thus destined to fail. The purpose of this thesis is to address these questions by studying this rural community that has lived in a sustainable local mode of existence surprisingly long into the modern era. It did so as an organically grown society instead of being based on and centred around special factors, such as a certain religion, for example the Hutterite and Amish communities in North America.

In the following I will describe in Chapter 1 the methodology of my research in Eichelborn and place the issue within a certain theoretical framework. The social scientist who strongly emphasized the socially and environmentally destructive effects of the transformation from traditional to market economies was Karl Polanyi (1886-1964). He initiated a debate that continues to this day with his thesis of the 'Great Transformation' by which traditional economies which were firmly embedded in the wider social fabric lost their social moorings by becoming integrated in a self-regulating market system. One main point of criticism of Polanyi's writings has been the assertion that these traditional societies did not work as he described.

Chapter 2 will be devoted to the detailed description of the local and 'moral' economy of Eichelborn as it used to work until the 1960's. The conclusions to be drawn from my research as well as further research questions springing from my previous research that could be the basis for future extended research on the topic will be the content of Chapter 3.

# CHAPTER 1

## *1.1. Methodology*

The choice of Eichelborn as my research area was not a random one. My interest in recent regionalization movements led me to get to know the village in 1999. In 1994 the citizens of Eichelborn successfully prevented a toxic waste dump from being developed in their region. The local movement which arose in opposition to the dump was transformed into a regional movement 'Eine Region denkt um' ('A region reconsiders'). It was this regional movement which sparked my interest in the area. The village offered an interesting opportunity for examining a local economy not only due to my contacts with members of the local regionalization movement 'Eine Region denkt um', but also due to the particular economic history of the area. Due to the comparatively early bestowal of rights of a free town in 1280, all farmers were 'free land citizens' (Ackerbürger) who had to pay comparably few taxes[8]. Thus, the farmers could concentrate on producing almost exclusively for their own needs and for the inner-village and regional exchange of goods for hundreds of years. Most village inhabitants owned their own land and houses and were thus able to dedicate the major share of their energies to subsistence production -- a situation that was obviously not a granted fact in all villages, but that is nevertheless a precondition for the development of forms of interaction that are based on reciprocity.

The primary source of information for the following description of the local and

[8] Towns developed mostly from "markets" that served the sale of mostly agrarian products of the respective landowner. When craftsmen increasingly started to settle down around these "markets", they were often bestowed with "free town rights" in the Middle Ages . These included market rights and the common law of salesmen and their guilds. "Free land citizens" (Ackerbürger) is the historical name for town citizens that owned land within or near the town boundaries for which they had to pay no or only very few taxes.

'moral' economy comes from fieldwork in the town of Eichelborn itself. I have spent time and lived in the village two times so far -- in July/August 1999, August 2000 and February 2001. I worked with a mix of qualitative and quantitative social research methods. The most important approaches were:

- Narrative interviews/Oral History
- Biographical interviews
- Archival research (including the analysis of official and commercial documents, such as municipal meetings, expenditure and revenue accounts of craftsmen and farmers, and governmental policy papers)
- Thorough reading of local agricultural journals and the daily regional press
- Examination of local and regional statistics

I began by extending my already existing contacts with village inhabitants. I carried out numerous talks with residents who knew the village especially well: with the farmer Anton Folgner; the butcher and bricklayer Franz-Joseph Bertram ( now unfortunately deceased); the secretary of the citizens' initiative 'Lebenswertes Bördeland und Diemeltal e.V.', Stephan Mindner; the researcher of local history Albert Kuhn; a leading officer in the agricultural chamber Westfalen-Lippe as well as several administrative workers in the municipal government of Eichelborn.

The former butcher and bricklayer Franz-Joseph Bertram developed a strong interest in the content of my research and offered himself as its permanent attendant. Since he had worked with his father who had been a butcher in Eichelborn as well, and had always loved to hear people's stories, he knew all of the old-established Eichelborn families and their history. Mr. Bertram was not only an informant himself, he also aided me in selecting interview partners for my research. Together with him, I went to the people that we had selected and asked them whether they would be available for longer interviews that would be

recorded on tape. When we stood at a front door, he never talked about 'interviews'. He said to me "Just let me go about it", and the said to the potential informant, most of the time in the local dialect: "This young lady here would like to know from you, how things used to be, how you worked and lived. When could we meet?". Most of the people agreed to an appointment for an interview. They had an idea of what it meant to talk about 'how things used to be'. At the beginning some people were somewhat suspicious of me and my intentions. Important for the 'entrance ticket' to the Eichelborn households was that they had seen me before doing some work on the fields and that I had lived on one of the established Eichelborn farms whose owner enjoys a good reputation.

Many of my interview partners had prepared intensively for the interviews by looking for documents and other possible evidence to support their statements[9].

In general, I tried to interview all of the still living craftsmen who had been working at times of the still functioning local economy. The selection of my farming interview partners was a bit more selective. I interviewed a variety of farmers and farmers' wives with small and big, conventional and ecological farms as well as village inhabitants for whom farming is now only a second profession.

In order to examine the character of the local economy of Eichelborn before the transition, I conducted 36 personal interviews with an open interview agenda. The interviews lasted from one to two hours and were recorded on tape.[10] First, I let my respective interview partner tell me the economic biography of the family. This was always closely linked to the history of the farm or the craftsman's business. After, I asked guiding questions concerning economic rationality and economic activity. The period of time that my questions referred to

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[9] For example expenditure and revenue accounts.

[10] A list of my interview partners can be found in the Appendix.

covered the time from shortly before World War II and until today. The main questions were:

-What did people eat in the past? Where did the food come from?

-Who processed what food, and under what conditions?

-Where did the objects of daily use (clothing, shoes, tools, kitchen devices etc.) come from? Where did the material for its production come from?

-Who produced what in the town, and for whom?

-What used to be the motivation for work/production?

-What products were produced for the local market?

-What was characteristic of the exchange relations among the local producers? What was marketed under what conditions?

-What was characteristic about economic relations/exchange relations among the inhabitants? On what did they use to base their action?

-Were there reciprocal social obligations or neighbourly help?

-What used to be consumed from regional/local production?

-Where did people shop? What were the criteria for choosing the shops?

-What importance did dependent labour relations (maidens/farm servants) have for the local economy?

-What did a daily schedule of a farmer/craftsman look like?

The interviews were structured by these guiding questions but in any single case the interview questions may have deviated from the list or concentrated on certain points. After each interview I transcribed its content and produced postscripts in which I laid down the content of the interviews and the first analytical steps.

Many details about economic activity in Eichelborn I got to know only indirectly by asking continuously for what were often self-evident daily facts for the social actors. In some cases, the process of inquiry was rather difficult, and only a persistent query for certain work and exchange activities illuminated the socio-economic context in which these activities took place.

I tried to avoid expressing my own opinions about issues of modernization and globalisation to my interview partners. By doing so, I hoped to prevent my interview partners from making their answers or the description of their biographies dependent on my ideas. I noticed very early that the danger to hear only what I might have liked to hear was relatively small since all of my interview partners were mature and experienced men and women with a strongly developed self-confidence.

My main informant Mr. Bertram, for example, demonstrated how proud and self-confident the old producers of the local economy still are today. When I sat with him one evening at an Eichelborn bar and talked about selection criteria in reference to my interview partners, a local teacher came to our table and offered himself for an interview. He had some things to report as well, he said, and wondered whether it would be of interest to me. Before I could answer, Bertram answered in a friendly, yet decided tone: "*No, we have no use for people like you at all in regard to this issue. And I tell you why: Because you teachers do not produce anything. At one o' clock you close your books and you haven't produced anything. We butchers, on the contrary, we have during the same time prepared all of the sausages.*" A further example of the pride of the local farmers and craftsmen is the 66-year old village shepherd and poet. He sends his poems, that appear from time to time in a small regional paper, to the church newspaper of the archbishop of Paderborn, 'The Dome'. This paper has so far denied to print his poems. But instead of resigning and doubting the value of his own

lines, he took the offensive. When 'The Dome' refused to publish his most recent piece 'Ode to the Virgin Marie', he threatened the paper with a boycott and collected signatures of people from his neighbourhood that had decided to quit their subscriptions to the paper. Nobody had dared before to tell him that his poems were of low quality, he told me, upset about this unexplainable clerical ignorance. The pride and self-confidence of the former producers of the local economy of Eichelborn and their consciousness of the importance of their role in the rural community made them trustworthy witnesses of history and experts of daily life experience. I also collected quantitative data in order to substantiate the biographical-retrospective reconstruction of the recent economic history of the village through interview partners and informants with 'hard' facts. I was primarily concerned with the question of how valid the self-description given by the farmers, farmers' wives and craftsmen was, and less with trying to defend myself against the possible reproach of 'anecdotal empiry'. In the end, the qualitative data was found to be the more valid one. One walk through Eichelborn, for example, was enough to show that the number of officially registered businesses does not correspond to the actually existing number of businesses. The official database includes only those businesses that have to pay trade tax. However, that does not mean that one cannot live off a business that does not reach the income threshold necessary for the trade tax office. Several legal tax tricks lead to a distortion of the database. One business, for example, I assumed had ceased to exist since it did not appear in the statistics of the tax office anymore. By coincidence I found out that it had only changed owners and that it produced something different than in the past. I received this information not from the official database, but by means of an informal talk. I met someone who had worked 40 years ago in the firm and he gave a detailed account of the firm history from his own point of view.

Another example: According to official numbers, the first supermarket in Eichelborn opened in 1979. However, Ms. X knew for certain that it was in the year her second daughter had her communion. A more thorough inquiry led to the insight that Ms. X was right and not the computer of the Regional Office for Data Processing. Thus, the 'soft' database proves, in some cases, to be more reliable than the 'hard' statistical material. The village inhabitants seem to be the experts on the socio-economic reality in Eichelborn, and not the statisticians in Paderborn or Düsseldorf.

In terms of the validity of my findings it also needs to be stressed that I did not rely at all on the reconstruction of a social reality on the basis of opinions. Even though the statements of my interview partners could be tinted in a subjective manner in the realm of facts - they have to be - I was able to take them as a reliable source of information, in a certain sense as a 'historical truth', when statements of all or many interview partners corresponded and when I was able to cross check the account of one respondent with that of others. If, for example, people reported unanimously that very little money rotated in the village economy of Eichelborn, that people used to write bills only once a year and that the poorer members of the village were able to count on the solidarity of the community, this information appears to be a type of conglomeration of individual memory that merge into a collective memory. Furthermore, I strongly doubt that all of my respondents are romanticizing the past since their representation of the past and the present was multi-layered and their evaluation of the village transformation processes very differentiated. It became very clear during the interviews that they recognize the advantages and the ***dis***advantages of both the 'old times' and the present. I never encountered a glorification of the past in the sense of 'everything used to be better back then', and also only rarely a one-sided praise of progress.

## *1.2. Theoretical Framework*

The major social scientist whose work is most relevant to the contemporary concerns of environmental and social destruction by means of the inherent character of the current global economic system is the Hungarian economic anthropologist and historian Karl Polanyi. He is the major writer who set the terms for debate over the twin questions of whether the current system is destructive to the physical environment and society, and whether alternatives are possible. He argues that the economic system in 'non-market societies' represents only a partial function of society as a whole. In these 'integrated' societies, economic actions are embedded in social relations between people. In the 'market society', in contrast, the economy gains control of and usurps society in the process of the 'Great Transformation' -- the transition to a self-regulated market[11] as the central control mechanism of industrial production. In the latter, society no longer controls the form, arrangement and limitations of economic actions. Instead, the 'economy' subsumes 'society' into its own logic of commodification. The evolution of a liberal market economy has lead, for the first time, to the existence of a market independent of society and, therefore, to an 'autonomous' economy that colonizes social and political processes. Polanyi's work asserts that communities in which economic action is embedded in social relations are natural, and that industrial society with its disembedded economy can be perceived as an exceptional, deviating phenomenon in history. His writings suggest, therefore, the possibility of an alternative way of organizing society and economy without giving up the idea of technological progress. It is probably this uniqueness of his contribution to the social sciences that directs itself against neo-liberal as

[11] In general, one can argue against the term 'self-regulated market' that one cannot, in a strict sense, speak of a market that regulates itself taking into account that there exist permanent state interventions in favour of market-dominating companies in almost all countries of the world. Due to this fact, Polanyi's term is not to be understood as an empirical, but as an analytical category.

well as Marxist traditions[12] that explains why Polanyi's writings have recently received increased attention[13]. Not only has Marxism been discredited through the fall of the 'real-existing' socialist countries to the capitalist system, but during this current period there has been a great revival of the theory of the free market in the capitalist societies. Both Polanyi's critique of modern capitalism as well as his description of traditional societies that were not solely based on the market principle gave rise to an extensive debate in anthropology. His writings present a theoretical framework that will form the basis for my analysis of Eichelborn's local economy.

**The relationship between economy and society in Karl Polanyi's work**

Polanyi's metaphors of power and subjugation that describe market and economy as social actors, yet society as a passive victim provoke a central question: Who is 'society' and what could be then - in contrast to it - the 'economy'? If society is, indeed, colonized by the economy, a separation of these two categories could not possibly be perceived of anymore, since in this case society functions in and is fully endorsed by the economy's logic of commodification. For who, if not social actors, should create economic structures and, in turn, be formed by them?

By dichotomizing society and economy, Polanyi has invited criticism. He is reproached for having separated these two categories in an inadmissible way. Yet, Polanyi did not concern himself so much with the question whether and to what extent economy and society could in reality be separated from one another, but, instead, with the distinction between two different *types of societies*. In one, the economy is embedded in society — here, the economy produces goods for trading, but it is primarily tied into society as a whole and is

[12] See on that issue also footnote 22.)
[13] Block, F./ Somers, M. (1984): 47f..

directed toward the survival of the members of society. Since this economy is 'embedded', the society in which it is embedded is also, by its nature, focused on subsistence. The other type of society, in contrast, is determined by an economy that has surplus production as its content and as its goal. This economy is, according to Polanyi, disembedded because the production of surplus is not compatible with the overall societal interests, and in a more extreme sense it functions against the needs of society. Hereby, Polanyi regards utility-oriented production as the 'actual' appropriate one.

His notion of 'embeddedness' is, therefore, unequivocally normative. The economic anthropologist has a clear and moral conception of how a society ought to function, on the basis of which he defines industrial society as a historical deviation. Under capitalist conditions, the economy does not fulfill its actual task, namely to reproduce larger social units in the sense of a household[14] and to supply society with what is necessary for survival.

This view distinguishes him fundamentally from his critics, and it causes some conceptual confusion, as will be discussed in more detail later. Yet, one can state critically that the tight entanglement of the 'systemic' level and the 'level of action' does not allow for perceiving economy and society as constructs that exist independently from one another, even if they can, according to Max Weber, hardly be thought of as belonging together anymore[15]. On the other side, Habermas' differentiation between 'system' and 'life world' (society), for example, that is set up in a similarly dualistic way as Polanyi's distinction between 'economy' and 'society', makes sense at a certain level of analysis. The colonization of the 'life world' by subsystems of utility-rational action, of which Habermas speaks, takes place insofar as the demands of a 'morality of accumulation' that is centered on exchange value works

[14] Polanyi refers here to Aristotle's term ‚oikonomia'.
[15] Weber, M. (1958);(1976).

permanently against the realms of life that are oriented on utility value.[16] If social activity is increasingly oriented toward accumulation, it is evident that subsistence production leads a marginalized existence in the perception and appreciation of modern industrial society, and that it can exist only in its modernized forms of disregarded home (or housewife) work or in small farm production.[17]

At this point, one aspect of Polanyi's theory needs further clarification. His distinction between 'embedded' and 'disembedded' societies might also lead to the idea that the former could only produce subsistence level incomes. Yet this is not what he seems to have believed. He defines 'economy' as the sum of arrangements for the supply of the material means of want satisfaction[18], and he perceives human wants as wide. He sees humans having a range of interests and roles, all of which require material means supplied by the economy.[19] He certainly did not perceive the members of ancient societies, such as Egypt and Mesopotamia, as living in poverty and just above the subsistence level. Thus, he does not indicate that 'integrated' or 'moral' societies produce only subsistence, but that they guarantee subsistence and the survival of all members of society as well as of the natural environment. Polanyi's objection is not to the production of surplus above subsistence in 'disembedded' industrial societies, but to doing so in a way so as to destroy society and the environment. Thus, it is not the production of surplus as such that he criticizes, but its production with the underlying motivation of greed and profit accumulation rather than of serving human ends.[20]

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[16] Habermas, J. (1981): 171ff.; Gorz, A. (1989): 243ff..

[17] Werlhof, C./ Mies, M./ Bennholdt-Thomson, V. (1983); Evers, H.-D./ Schrader, H. (1994).

[18] Polanyi, K. (1957b): 46.

[19] According to Polanyi, humans are neighbours, gardeners, sculptors, musicians, patients, lovers, parents, hikers, dancers, etc., activities all of which require material means.

[20] See also further discussion in the following sections.

**The self-regulating market as an institution**

Polanyi distinguishes between societies in which trading is carried out - often in a highly complex manner -, and others that are determined by the *market as an institution.* Confusingly, he calls the former 'non-market societies', and the latter 'market societies'. He, thus, reduces the term 'market' in the same way as the term 'economy' to the aspect of profit acquisition. In his view, it is only the latter market form that produces the market as a specific institution. Herein he sees the reason why

> "...the control of the economic system by the market is of overwhelming consequence to the whole organization of society: it means no less than the running of society as an adjunct to the market. Instead of economy being embedded in social relations, social relations are embedded in the economic system."

An economy that is embedded in social relations differs from a societal context in which social relations are embedded in the economy in regard to the question of by whom, under what conditions, and in whose favor, decisions about the arrangement of production and consumption are made. For the case of an economy that is embedded in social relations, the relationship between economy and society, i.e. a culture of subsistence, delivers the norms for economic behaviour as social behaviour. The intention of such action is in any case the maintenance of the social community[21] -- not lastly because it guarantees as a whole, and not by means of individual economic behavior, the survival of each individual member of the community.

In a social system in which social relations are subsumed within the economic system that is working according to the logic of accumulation, they serve only indirectly the essential needs of people. A structure of needs is produced that transforms people into beings-in-need before a "global economy of allotment"[22]. Mutual social dependence is replaced by

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[21] If I write in this context of 'community' then I do not refer to Tönnies' term 'community' as a contrast to 'society', but rather to König's notion (1956:3) of social unity, in general.

[22] Gronemeyer, M. (1988): 31.

economic dependence --- things essential to life are no longer produced in a socially surveyable and comprehensible context; they are acquired by anonymous market authorities. Interesting in this context is Gronemeyer's distinction between "the powers of existence" versus "the neediness of supply". Modern individuals - for Gronemeyer, deficient beings that are needy of supply - can neither take

> "...what nature grants them, nor can they produce what they need for living. They are to be allotted these goods under conditions of an uneven bargain. As far-reaching as the transformation from the power over one's own existence to the neediness of and dependence on supply is, as far-reaching is the transformation of social life. The shared use of the land is replaced by rivalry for the rationed means of existence, the 'battle of distribution'."[23]

Both formations of society - the market society and the type of society that Polanyi called 'non-market' - differ fundamentally from one another - due to the very distinct character of economic action in both types of society. Markets have existed all over the world since the Stone Age, but they did not play the same role as the market in modern society. Their expansion was subject to societal control. Strict market regulation ensured local and temporal limitations to trade until late medieval Europe. Foreign traders were not admitted due to the protection of regional sale, and social institutions controlled the production of local goods. Cultural taboos and ceremonies ensured the ostracism of one-sided pursuits of commercial interests[24].

In contrast to economies of 'non-market societies' that are controlled and curtailed by society, the tendency to "expand at the expense of the rest" is characteristic only of market society, writes Polanyi.[25] With that he refers to Marx' insight that the logic of commodification permeates more and more areas of social life. Polanyi, therefore, emphasizes the fact that a market economy can only function in a market society. At this

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[23] Ibid.: 32.
[24] Ulrich (1993): 93.

point, his notion of society gains a more relative meaning as an adjunct of the market. He defines modern market society as an

> "economic system controlled, regulated, and directed by markets alone; order in the production and distribution of goods is entrusted to this self-regulating mechanism. An economy of this kind derives from the expectation that human beings behave in such a way as to achieve maximum money gains. It assumes markets in which the supply of goods (including services) available at a certain price will equal the demand at that price. It assumes the presence of money, which functions as purchasing power in the hands of the owners. Production will then be controlled by prices, for the profit of those who direct production will depend upon them! The distribution of the goods also will depend upon prices, for prices form incomes, and it is with the help of these incomes that the goods produced are distributed amongst the members of society. Under these assumptions order in the production and distribution of goods is ensured by prices alone."[26]

Production and distribution of goods are not subject to the demands that a society commits itself to in its own interest of survival as they would be in a surveyable and socially influencable market. Instead, they are subject to regulation by market laws; laws that the market creates substantially by means of the principle of 'supply and demand' that is, in turn, determined by price fixing. For Polanyi, self-regulation means that

> "...all production is for sale on the market and that all incomes derive from such sales. Accordingly, there are markets for all elements of industry, not only for goods...., but also for labor, land, and money, their prices being called respectively commodity prices, wages, rent, and interest."[27]

The decisive step towards a self-regulating economy was the transformation of human labor and land into commodities. Polanyi writes of a 'fiction', of a 'market trauma', for neither human labor nor land *are* in reality commodities because they are either not produced or, as in the case of human labor, they are not for sale. They are merely treated as if that *were* the

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[25] Polanyi, K. (1978): 68.
[26] Polanyi, K. (1957a): 68.
[27] Ibid.: 69.

case[28]. Only by means of free buying and selling can labor and land be subordinated to the market mechanism. Only by means of this process can supply and demand for these 'commodities' evolve:

> "...Accordingly, there existed a market price for the use of human labor, called wage and a market price for the use of land, called rent. For labor and land, new markets were created....The commodity fiction surrendered the destiny of humans and nature to the game of an automaton that works according to its own laws."[29] [30]

In Polanyi's view, the commodity fiction is the first premise for the functioning of a free market economy. At the same time it is the precondition for the destruction of society's material foundations. At this point, the ecological meaning of his market critique becomes apparent:

> "Machine production in a commercial society involves... no less a transformation than that of the natural and human substance of society into commodities. ... The dislocation caused by such devices must disjoint man's relationships and threaten his natural habitat with annihilation."[31]
> To allow the market to be the sole director of the fate of human beings and their natural environment ... would result in the demolition of society. ...Nature would be reduced to its elements, neighbourhoods and landscapes defiled, rivers polluted, ... the power to produce food and raw materials destroyed."[32]

When self-interested gain-seeking market behaviour is allowed free reign, external damage to the environment naturally follows because the market does not adequately measure the external cost of resource exploitation[33].

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[28] Polanyi, K.(1979): 131.

[29] Ibid.: 132.

[30] The forcible separation of producers from their means of production - a process that Marx analysed in his writings about the 'so-called original accumulation' (Marx 1980:741ff.) - is for Marx a painful, yet necessary event in the process of humankind's progressing evolution. A decisive difference between Marx and Polanyi consists, thus, in the fact that the former criticizes only the forcible method of farmer's and peasant's expropriation, but he legitimises the separation as such on the basis of his evolutionary conception of history as a historically necessary step in the progressive movement of mankind. Polanyi, on the contrary, does not see any positive aspects in this process of original accumulation, and he even pleads for a 'return'. From his point of view, this historical process appears as a departure point of an encompassing catastrophe that socially uprooted the population - first of England - and turned them "from decent husbandmen into a mob of beggars and thieves" (Polanyi 1957a: 35).

[31] Polanyi, K. (1957a): 42.

[32] Ibid.: 73.

[33] The so-called externalisation of costs in economic theory.

**The social dimension of economic action**

Polanyi's critique on the self-regulated market is closely connected to his critique of neoclassical economic theory and especially to its undifferentiated assumption that man has a natural propensity to barter, truck and exchange. Polanyi himself has documented the existence of bartering in many societies of western and non-western types. He criticizes, however, the naturalistically derived notion of bartering that implies an ostensible propensity in 'human nature' to pursue personal profits. Referring to the axiom of the '*homo economicus*', he reproaches the neoclassical economists of projecting their ideas that spring forth from their own social reality onto the whole of human history. Peter Ulrich[34] also points to the fact that Ricardo designed the image of the '*homo economicus*' as a methodological, subsidiary figure in order to 'solve' theoretical problems in economics without the disturbing influence of social reality. It was Marx' critical analysis of the assumptions of neoclassical economics that reintroduced the idea that economic laws cannot claim validity as natural laws[35]. Economic anthropology has, in Polanyi's view convincingly shown that the natural law of the human 'propensity' to generalized bartering in so-called primitive societies does not appear. It is not the tendency to barter, truck and exchange that is dominant there, but the reciprocity of social behaviour[36].

According to Polanyi, reciprocity is one of four central principles of behavior, next to redistribution, household and exchange, that guarantee the production and distribution of goods in traditional societies. Reciprocity is characterized, in contrast to the modern market form, by the absence of separate institutions that are based on economic motivations and by a lack of both a desire for profit and the principle of work for payment.[37] Reciprocity refers to

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[34] (1993): 196.
[35] Hillmann, K.-H. (1983): 12.
[36] Polanyi, K. (1957a): 49.
[37] See Polanyi, K. (1978): 361.

exchange under the premise of mutual benefit. This arrangement does not produce it's own institutions, but shapes those that already exist in the sense of symmetry.[38] It serves in a broad sense the production and maintenance of the family, yet it includes also the ritual exchange of goods and services between families, clans and tribes, as for example mutual help during the harvests.[39]

The notion of reciprocity originating in social anthropology plays a central role in recent debates in economic sociology.[40] For Sahlins, reciprocity is a social relation of exchange that is located between the two opposite poles of (altruistic) gifts, on one side, and (egoistic) appropriation, on the other side.[41] Heinemann defines reciprocity as

> "...a principle of giving and taking that is effective in kinship, friendship, i.e. in existing social relations, a principle of exchange of services and counter-services due to mutual social obligations through which exchange relations are maintained, even if interests and uneven distribution of power might prevent that services and counter-services are equivalent..."[42]

Thus, reciprocity does not mean the realization of the principle 'As you did to me, I will do to you'. A delivered service will be followed by the expectation for a service in return. But it will be expected neither in the same form, nor in the same magnitude, nor will it be immediately tied to the person who delivered the service, nor will it have to be returned immediately following.[43]

Reciprocity thus implies tolerance towards temporary inequalities and the willingness to bring advances with one's own contributions[44]: "...the counter is not stipulated by time,

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[38] Martinelli, A. (1987): 143. "Reciprocity indicates correlated transactions between symmetrical groups..."

[39] See Polanyi, K. (1957a): 77; Smelser, N. (1986): 149.

[40] See, for example Martinelli/ Smelser (1990), Granovetter (1985), Swedberg/ Granovetter (1992) as well as the contributions in Heinemann, K. (1987).

[41] Sahlins, M. (1972): 191.

[42] Heinemann, K. (1987): 323.

[43] Sahlins, M. (1972): 193f.

[44] Vanberg, V. (1987): 274f.

quantity or quality: the expectation of reciprocity is indefinite."[45] The material capital that cannot be gained in this act of generalized reciprocity is booked as symbolic capital.[46]

Yet, instead of recognizing the many-layered nature of economic activity and incorporating it into the analysis, neoclassical economic theory explains the law of the market by means of man's ostensible propensities in his 'natural state'. To assume hunger and pursuit of profit as motivations for economic action is for Polanyi an inappropriate attempt to legitimate the profit mechanism of market society by means of human 'nature'. Referring to Aristotle, he stresses that no human instinct is motivated solely economically, or more precisely 'motivated economistically'. For, man is above all a social, not an economical being. His interest is not as much to secure his individual advantage through the acquisition of material property, but is focused on social recognition, social status and social values. He argues that economic activity has in pre-market times generally been embedded in social relations:

> "He does not act so as to safeguard his individual interest in the possession of material goods; he acts so to safeguard his social standing, his social claims, his social assets. He values material goods only in so far as they serve this end. "[47]

That 'hunger' and the 'pursuit of profit' have been the motivations of economic activity in all societies is, in Polanyi's view, an invention of the economists. That these motivations approximate behavior in industrial society is for him to a certain degree also the result of capitalist development itself that has generalized the coercion of gaining money.[48]

Polanyi's analysis is on this point unfortunately misleading since the pursuit of social recognition -- i.e. the investment in symbolic capital -- can be motivated by 'economic' interests, as well. Symbolic capital is not accumulated abstractly. It is indirectly transformed

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[45] Sahlins, M. (1972): 194.
[46] See Bourdieu, P. (1979).
[47] Polanyi, K. (1957a): 46.
[48] See Polanyi, K. (1979): 133ff, 149ff.

into material capital -- this is illustrated by analytical categories, such as Max Weber's 'value spheres' or Pierre Bordieu's differentiation between 'symbolic' and 'material' capital. It is important that the securing of social status also always serves the survival of society as a whole, as well as that of individual members of society and, thus, their economic security[49].

Polanyi does not differentiate between symbolic and material capital, at least not explicitly. I assume, nevertheless, that he understands 'economic motivations' as individual pursuit of profit, detached from the social context. On this basis, it becomes possible to understand his attempt to 'de-biologize' social actions: Humans can be good or evil in relation to one value system in the same way as in relation to another one.[50] If that were not the case, it would be difficult to account for the institution of social sanctioning of greed or of individual profit maximization in traditional 'prestige' economies. The decisive difference lies for Polanyi in the fact that in 'non-market' societies human passions are not narrowly directed towards economic ends -- and with that he means profit-oriented ends in the capitalistic sense.[51]

**'Network analysis' versus Polanyi**

A recent contribution to the debate over embeddedness and economic action in pre-market and market societies has come from the proponents of a 'New Economic Sociology'. By discussing their views and by contrasting them with those of Polanyi, I hope to further clarify his position. These 'new economic sociologists', among them Marc Granovetter and Richard Swedberg, set out to find a middle-ground and to dissolve the discrepancy between the seemingly diametrically opposed substantivist and formalist/neoliberal camps in the social sciences.

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[49] Bourdieu, P. (1979): 335ff..
[50] Polanyi, K. (1957a): 47.

In Granovetter's view, Polanyi has exceedingly over-estimated the ostensible embeddedness of 'non-market' societies as well as the disembeddedness of market societies. He reproaches him for answering the neoliberal-utilitarian credo that economic action is only minimally influenced by social relations (under-socialized or 'atomized-actor' conception of human action) only with the opposite position (over-socialized conception):

> "The embeddedness position ... sees the economy as an increasingly separate differentiated sphere in modern society, with economic transactions defined no longer by the social or kinship obligations of those transacting but by rational calculations of individual gain. It is sometimes further argued that the traditional situation is reversed: instead of economic life being submerged in social relations, these relations become an epiphenomenon of the market."[52]

Granovetter distinguishes his own position from the neoclassical as well as from the substantivist interpretations of the market. He bases his considerations on the idea that the degree of embeddedness of economic behavior in so-called 'non-market' societies -- provided that such a gradation of embeddedness is possible at all -- is lower than Polanyi claims, but higher than assumed by the formalists[53]. According to Granovetter, both contrary approaches, ironically, share in common that they negate the manifold possibilities of social behavior and, in this way, place atomized individuals at the center of their analyses.[54] But economic actions are, according to him, always - i.e. in modern market society, as well -- embedded in networks of social relations. In front of the background of this newly re-opened debate about a social perspective for an economy that is based upon mathematical models and hypothetical assumptions, Granovetter and Swedberg criticize the efforts of economics as a scientific discipline to diagram out social influences as 'disturbing' to economic actions. To them, the artificial differentiation between social and economic behavior has lead to a

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[51] Ibid.: 47.
[52] Granovetter, M. (1985): 482.
[53] As for example Schneider, H. (1974).
[54] Granovetter, M. (1985): 482ff..

confusion of concepts. Economic action represents, however, a form of social action, and economic institutions are also socially constructed.[55] Economic action

> "...is embedded in ongoing networks of personal relationships rather than being carried out by atomized actors. By network we mean a regular set of contacts or similar social connections among individuals or groups. An action by a member of a network is embedded, because it is expressed in interaction with other people."[56]

Swedberg and Granovetter perceive as a self-fulfilling prophecy Polanyi's thesis that exclusively the price-fixing market and the supply-and-demand scheme are determinant in modern societies with disembedded economies: The industrial revolution would in this case have brought forth exactly the type of society that is presumed by conventional economic theory. A close look at the different socio-economic networks, however, shows that the degree of embeddedness in pre-industrial as well as in industrial societies varies constantly.[57]

With this, the debate over embeddedness and disembeddednes is concluded for the theorists of the "New Economic Sociology". For my set of problems and my research, however, the analysis of the different *social-integrative **quality*** of distinct types of embeddedness is of central importance.

**On the different social-integrative quality of types of embeddedness**

In contrast to Swedberg, Granovetter and other new economic sociologists[58], it seems to me of utmost importance to illuminate the corresponding societal background of economic actions in order to be able to analyze the respective kind of embeddedness. It is, therefore, important to recognize in what kind of qualitative relationship economic and social relations on one side, and their surrounding and determining 'market societies' and 'non-market' societies, respectively, on the other side, stand with one another. For that, it is important to

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[55] Swedberg, R./Granovetter, M. (1992): 6.
[56] Ibid.: 9.
[57] Ibid.: 10.

closely examine the respective societal backgrounds. While Polanyi focuses mainly on economic relations between independent producers in pre-industrial societies, Granovetter concentrates on segments of a fully different social reality, for example on a wage-dependent service station attendant and his clients in the New York of the 1980's.[59] If Polanyi analyzes the transformation of whole societies, Granovetter deals with reduced 'networks', drawing conclusions for society from their functional dynamics. If Polanyi speaks of the effects of the process of the producers' expropriation of their means of production, Elwert observes people who do not throw their garbage onto the street, but in trash bins thus exercising themselves in 'generalized reciprocity'.[60]

Network analysis concentrates on concrete interactions of individuals and groups. The influence, however, that the socialized logic of the market could have on the level of action is of little interest to them. Granovetter attempts, on the contrary, to integrate a theory of action into economic theory by means of leaving structural analysis and, thus, separating it from the level of action. That leads to an arbitrarily open notion of embeddedness, and, indirectly, also of moral economy that levels out the differences that exist between, for example, an unemployed industrial worker in late-capitalist Denver and an independent producer who is bound into a functioning local-economical context, as in a traditional village. Swedberg and Granovetter define the term 'networks', but they avoid a precise clarification of their notion of 'economic action'. This conceptual imprecision enables them to neglect the qualitative differences between different kinds of economic action. Yet, there exists an important difference between the economically *and, at the same time,* socially determined relations between a small farmer and a small town baker[61] who processes and sells the

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[58] As for example Elwert, G.
[59] Granovetter, M. (1985): 489.
[60] Elwert, G. (1984b): 12.
[61] As in the local economy of Eichelborn, for example.

farmer's grain and the relationship between a municipal bank employee and a service station attendant whose 'economic relation' is confined to the exchange of bank-notes [62]. The former are economically dependent on one another, a fact that inevitably forms their social relationship; the latter are connected only indirectly through invisible intermediate links. Their social relations can exist independently from the economic sphere since both of them have their own income that makes it possible for them to pursue their personal economic interests independently from one another.

Network analysis is, in comparison to Polanyi's approach of embeddedness, based on primarily methodological and, with regard to its content, less normative categories. Therefore, its utility is very limited in the context of my research that explores the important differentiation between the varying meanings of economic actions depending on their respective societal framework. That is, however, not their intention in the first place. The actor-oriented network analysis is able to widen the field of vision on economic action, but this analysis takes place on a different level than Polanyi's analysis. The problem is that these different levels of analysis are blended without being defined as such. Therewith, a cause for a central misunderstanding of Polanyi's critics from the 'New Economic Sociology' has been found: his undefined notion of economy. For economy and also economic action has in a subsistence-oriented or, as Polanyi would say, 'integrated' society a fully different meaning than in a market society: while the former follows a logic of subsistence, the latter orients itself on the measure of the exchange of equivalents on anonymous markets. In the capitalist organization of production, securing subsistence is not even at stake *en passant*. Rosa Luxemburg describes this mode of production as a pure production of 'value'. Only those goods are produced

"...that have the certain prospect of being exchanged for money. Profit as an

[62] As for Granovetter.

> end in itself and as the determining factor dominate here not only production, but also reproduction, i.e. not only the 'how' and the 'what' of the respective work process and of the distribution of the products, but also the question whether, to what extent and in what direction the work process is taken up over and over again."[63]

Consumption is without doubt an indispensable part of the process of commercialization, but in reality a "detour from the view point of the actual motive"[64]. The producer's indifference towards their own products, that becomes possible through the separation of production and consumption, is caused by the fact that the products themselves are not only *not* linked to their utility value, but that "already in their material form and in the process of their making they come to appear even to the producer as abstract 'work colloids', since they are nothing more than potential money".[65] If it is all the same to individual capitalists -- and ultimately also to their workers -- whether they produce food or armor plates[66], then the production of goods under capitalism clearly presents a tendency of disembedding. This, however, does not imply a total 'loss' of the social realm, as Polanyi's terminology would suggest. Instead, society becomes more and more identical with the logic of accumulation, or as von Werlhof formulates: "Society itself *is* the market and the market *is* society."[67]

It seems to me that within Werlhof's formulation of market and society one can find the solution to Polanyi's enigma of the relationship between society and economy. The motive of the modern economy is the production of exchangeable goods that are abstracted from contents. This utility-rationality (Max Weber) - being exclusively focused on

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[63] Luxemburg, R. (1923): 3f..
[64] Ibid.: 10f..
[65] Kurz, R. (1991): 101.
[66] 'Food' is translated in German as 'Lebensmittel' – the 'means to live'; therefore, Rosa Luxemburg plays cynically with the words when she writes here: "whether he produces Lebensmittel or Todesmittel" – the latter being the ‚means to die'. (‚Tod' – ‚death').
[67] (1993): 1020.

exchange value - evolves within economic theory into downright social rationality as such.[68] The basis of this socially generalized economic notion of rationality is the supposition of essentially infinite human wants; they are the reason for all economizing since these endless wants are confronted with scarce goods.

The "process of man behaving more and more profit-maximizing in subsystems of society other than economy itself"[69] reaches, at the same time, more and more niches and 'colonizes society'[70]. The rhythm of life worldwide is increasingly determined by the rhythm of money and the 'necessity' of its accumulation:

> "The currency of credits determines the rhythm of global time regimes. Due dates of debts -- and not anymore harvest cycles as in agrarian societies or turn-over times of fixed capital as in the 'great' industry -- define the accumulation horizon and the periodicity of cycles in globalized finance capitalism."[71]

By means of the transformation of the 'logic of accumulation' into a 'morality of accumulation', the 'disembedded' is being 'embedded', i.e. integrated – but in another social morality and different contents. Commodity production as well as subsistence production is, therefore, <u>always</u> embedded in their respective societal framework. For subsistence production, however, it is of decisive importance whether it is embedded in a subsistence society or in a market society. It is not the relationship between economy and society that is changed, if these two categories can be conceptualized as separated from one another at all, but the <u>aim</u> of economy and, thus, the content of the interdependent relation between both of them. In other words: Society has internalized 'utility-rationality' in its culture. The economy is, in this sense, embedded in society. Because of this, it seems much more meaningful to emphasize the ***<u>continuity</u>*** between pre-modern and modern society rather than

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[68] Filli, H. et al.(1994): 30.
[69] Altvater, E./ Mahnkopf, B. (1996): 121.
[70] Habermas, J. (1981).
[71] Altvater, E./ Mahnkopf, B. (1996): 120.

the *discontinuity.*[72] Network analysis allows only a limited examination content of these relations as well as the necessary socio-economic backgrounds in which they take place. Above all, it does not render possible an historical and anthropological comparative analysis of the type Polanyi prefers. Network analysts do not argue on the same conceptual level as Polanyi: the economic anthropologist has never claimed that economic action as such has a disembedding effect, but that the economy of a market society no longer embedded in social relations. When Polanyi says that the economy becomes 'independent', he does not argue on the level of individual actors; he speaks of the historical process of separation of the producers from their means of production and, thus, of the content and aim of the economic process in general. The disembedding of the economy results for Polanyi from the historical event of the commodification of human labor and land. In this process, human labour as well as the natural resource base is exposed to the self-regulating market economy. The market economy is understood to have created a new type of society[73]. That means Polanyi focuses on the evolutionary dynamics of the market-regulated system and its implications for social relations - and, by no means, on individual behavior as such. His analysis of the economic system as 'disembedded' is, therefore, not refuted by empirical observation that non-profit oriented, trust- and reciprocity-based relations between people or between cooperating enterprises exist also in market societies, as Granovetter and Coleman[74] claim.

**Substantivist versus Formalist School**

Polanyi was also the writer who set the terms of an important earlier debate within the social sciences – that between the Formalist and Substantivist Schools that received their

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[72] Bennholdt-Thomson, V. (1994): 230ff..

[73] Polanyi, K. (1979): 133.

[74] (1988).

respective labels after his definition of the two meanings of the word 'economic'. He argues that from the formalist perspective the meaning of 'economic' derives from the logical character of the means-end relationship. The 'formal' approach seeks to understand scarcity-induced choices among means for the realization of rank-ordered ends.[75] In his view, economic theory cannot generate specific solutions for all flows of goods and services, even in societies amenable to economic analysis using this 'formal' approach. In societies where the self-regulating market is inconspicuous or absent, which is to say all earlier societies, 'formal' economic analysis is even more unsuitable.[76]

The 'substantive' meaning of 'economic' is understood as an instituted process of interaction between man and his natural and social environment.[77] To Polanyi, these two meanings of 'economic' have nothing in common. The formal meaning derives from logic, the substantive one from fact. The former implies a set of rules of choice between alternative uses of scarce means, the latter neither choice nor scarcity.[78] In his view, it was only in the historical development of the modern West these two notions have come to have the same meaning, for only in modern capitalism is the (substantive) economic system fused with (formal) rational economic logic that maximizes individual self-interest.

Anthropologists who adopted Polanyi's label and called themselves formalists have polemically attacked the substantivist approach, as followed by Polanyi and his disciples.[79]. Polanyi's "imprecise and polemic terminology"[80] -- in my view a justified criticism since it led to many misunderstandings -- and his "institutionalistic, inductive, anti-systematic and

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[75] Polayni, K. (1957a): 245f.., L.Robbins laid down a formal definition of economics: "Economics is the science which studies human behaviour as a relationship between ends and scarce means which have alternative uses." (1932): 16.
[76] Smelser, N. (1959): 248.
[77] Polanyi, K. (1957a): 248.
[78] Ibid.: 243.
[79] As for example George Dalton and Marshal Sahlins.
[80] Smelser, N. (1959): 174.

functionalist" dualistic view[81] are used by the formalists as an argument to show that the substantivists are 'romanticists' engaged in wishful thinking, not realists. In their view, they are "prone to retrospection with diachronical orientation and humanistic outlook"[82] and an "anti-market mentality"[83]. Substantivist studies are in their estimation of little importance for current field research.[84] Another point of criticism focuses on Polanyi's assertion of the non-existence or marginality of markets that, according to some formalists, can be found throughout history. [85] [86]

In the following I will describe the local economy of Eichelborn in detail. I will examine whether it was a Polanyi-type community, as the substantivist school understands it. As mentioned above, formalist and neoliberal critics have claimed that Polanyi and his disciples were romantics and 'moral' economists. The term 'moral economy' was coined by the economic historian E. P. Thompson in order to analyze the system of socially and morally oriented behavior of England's laboring poor in the 18th Century. He claims that it were not "hunger and blind instincts" that motivated the grain and bread revolts, but a common consensus among the people that traditional rights of subsistence had to be defended against the "demoralization of the new economy" [87] For Thompson, the demands of the people were unequivocal: not market-oriented laws were supposed to determine the prices for basic food, but instead a right of subsistence for everyone. This right stands also in the center of Scott's analysis who applied the term 'moral economy' to the farmer societies of Southeast Asia.[88] [89].

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[81] Ibid.: 174.
[82] Le Clair jr, E. (1968): 222.
[83] Cook, S. (1968): 208.
[84] Cancian,F. (1968): 228.
[85] Booth, J.W. (1993): 80f..; Silver, M. (1983): 795.
[86] Since the criticism on the Substantivist School, and the number of arguments in the substantivist-formalist debate has been manifold, space will not allow me to discuss, or even mention, all of them sufficiently. A short overview might have to suffice at that point.
[87] Thompson, E. P. (1980):80.
[88] Scott, J. (1976).
[89] See also discussion of the ‚moral' economy in the 'Conclusions'.

The quest here is to see whether the analysis of Eichelborn's local economy and people's social and economic activity can arrive at new insights in regard to the formalist-substantivist as well as the substantivist-new economic sociology debates around the problem of embeddedness versus disembeddedness, the problem of 'rationality' in traditional societies, as well as around the notion of a 'moral' economy.

Even though Polanyi does not explicitly write about the propositions that laid the foundation of 'non-market' or pre-market communities, he states them in the appendix of *The Great Transformation.*[90] These characteristics will serve me in the examination of the local economy of Eichelborn. They comprise the following:

1.) The motive of gain is not natural to man.

2.) To expect payment for labor is not natural to man. The usual incentives to labor are not gain, but reciprocity, competition (as in sport), joy of work, and social approval.

3.) Economic systems are embedded in social relations. The distribution of material goods is granted by means of non-economic motivations. The embeddedness occurs through two main relations: reciprocity and redistribution.

4.) Trade does not arise within a community, but it requires certain exogenous conditions to develop. Trade is not based on markets; it evolves from one-sided relation of peaceful or non-peaceful kind. Local markets do not transform by themselves into long-distance markets; they show no tendency to grow.

5.) Money is not needed. Its existence or non-existence does not necessarily characterize the type of economy.

6.) The economy can work well through regulation (for example medieval regulation, mercantilist regulation).

[90] Polanyi, K. (1978): 360-371.

# Federal Republic of Germany and GDR


Nordsee
Helgoländer Bucht
Ostfriesische Inseln
Inseln
Bremen
Oldenburg
Hannover
Enschede
Münster
Lippstadt
Paderborn
Duisburg
Düsseldorf
Stade
Nordhorn
Meppen
Osnabrück
Minden
Hameln
Hildesheim
Braunschweig
Wolfsburg
Celle
Soltau
Verden
Diepholz
Nienburg
Rheine
Ibbenbüren
Gütersloh
Detmold
Bielefeld
Herford
Bad Oeynhausen
Höxter
Holzminden
Northeim
Göttingen
Goslar
Salzgitter
Peine
Lingen
Emden
Leer
Aurich
Norden
Wilhelmshaven
Cuxhaven
Helgoland
Norderney
Borkum
Juist
Langeoog
Spiekeroog
Wangerooge
Schiermonnikoog
Ameland
Terschelling
Vlieland
Texel
Den Helder
Harlingen
Leeuwarden
Groningen
Assen
Coevorden
Hengelo
Almelo
Zwolle
Deventer
Apeldoorn
Arnhem
Nijmegen
Doetinchem
Oldenzaal
Borne
Hardenberg
Steenwijk
Meppel
Emmen
Stadskanaal
Winschoten
Delfzijl
Dokkum
Sneek
Heerenveen
Drachten
Joure
Lemmer
Kampen
Elburg
Harderwijk
Ede
Wageningen
Veenendaal
Amersfoort
Utrecht
Hilversum
Almere
Lelystad
Dronten
Zeewolde
Enkhuizen
Hoorn
Alkmaar
Den Haag
Leiden
Amsterdam
Haarlem
Zaandam
Purmerend
Volendam
Edam
Monnickendam
Marken
Zaanstad
Beverwijk
IJmuiden
Zandvoort
Noordwijk
Katwijk
Wassenaar
Scheveningen
Delft
Rijswijk
Zoetermeer
Gouda
Woerden
Alphen aan den Rijn
Leiderdorp
Oegstgeest
Voorschoten
Wassenaar
Rotterdam
Schiedam
Vlaardingen
Maassluis
Spijkenisse
Hellevoetsluis
Brielle
Oostvoorne
Rockanje
Middelharnis
Stellendam
Goedereede
Ouddorp
Zierikzee
Goes
Vlissingen
Middelburg
Terneuzen
Hulst
Sluis
Breskens
Oostburg
Aardenburg
Eeklo
Gent
Brugge
Knokke
Blankenberge
Zeebrugge
Oostende
De Panne
Veurne
Diksmuide
Ieper
Poperinge
Roeselare
Tielt
Kortrijk
Menen
Wevelgem
Waregem
Oudenaarde
Ronse
Zottegem
Deinze
Aalst
Dendermonde
Sint-Niklaas
Lokeren
Beveren
Temse
Antwerpen
Mechelen
Turnhout
Geel
Mol
Dessel
Retie
Arendonk
Ravels
Hoogstraten
Rijkevorsel
Wuustwezel
Brasschaat
Schoten
Wijnegem
Stabroek
Kapellen
Essen
Roosendaal
Bergen op Zoom
Tholen
Sint Maartensdijk
Oudenbosch
Etten-Leur
Breda
Baarle-Nassau
Baarle-Hertog
Alphen
Chaam
Ulvenhout
Oosterhout
Dongen
Tilburg
Goirle
Hilvarenbeek
Reusel
Bladel
Eersel
Valkenswaard
Veldhoven
Eindhoven
Helmond
Deurne
Asten
Someren
Weert
Nederweert
Roermond
Venlo
Tegelen
Belfeld
Sevenum
Horst
Venray
Boxmeer
Cuijk
Grave
Mook
Gennep
Milsbeek
Ottersum
Wanssum
Kessel
Afferden
Bergen
Arcen
Velden
Lomm
Tegelen
Kaldenkirchen
Nettetal
Viersen
Dülken
Süchteln
Krefeld
Uerdingen
Moers
Neukirchen-Vluyn
Kamp-Lintfort
Rheinberg
Xanten
Sonsbeck
Alpen
Wesel
Hamminkeln
Bocholt
Isselburg
Rees
Emmerich
Kleve
Goch
Kevelaer
Geldern
Straelen
Issum
Kerken
Nieukerk
Aldekerk
Tönisvorst
Willich
Meerbusch
Neuss
Grevenbroich
Jüchen
Mönchengladbach
Rheydt
Wegberg
Erkelenz
Hückelhoven
Heinsberg
Gangelt
Waldfeucht
Selfkant
Übach-Palenberg
Herzogenrath
Kerkrade
Simpelveld
Vaals
Aachen
Eschweiler
Stolberg
Würselen
Alsdorf
Baesweiler
Jülich
Linnich
Heinsberg
Geilenkirchen
Hückelhoven
Wassenberg
Erkelenz
Titz
Düren
Inden
Langerwehe
Eschweiler
Stolberg
Monschau
Roetgen
Simmerath
Eupen
Malmedy
Stavelot
Spa
Verviers
Dison
Herve
Battice
Visé
Liège
Huy
Waremme
Hannut
Tirlemont
Jodoigne
Wavre
Ottignies
Louvain-la-Neuve
Nivelles
Genappe
Braine-l'Alleud
Waterloo
Ittre
Tubize
Soignies
Enghien
Lessines
Ath
Leuze-en-Hainaut
Tournai
Mouscron
Comines
Warneton
Ploegsteert
Armentières
Lille
Roubaix
Tourcoing
Wattrelos
Leers
Halluin
Bondues
Wervicq-Sud
Quesnoy-sur-Deûle
Lomme
Seclin
Templeuve
Orchies
Pont-à-Marcq
Cysoing
Bouvines
Pont-à-Vendin
Lens
Liévin
Carvin
Harnes
Libercourt
Douai
Somain
Aniche
Pecquencourt
Marchiennes
Flines-les-Raches
Denain
Valenciennes
Anzin
Bruay-la-Buissière
Auchel
Béthune
Beuvry
Bruay-sur-l'Escaut
Haisnes
Hénin-Beaumont
Courrières
Noyelles-sous-Lens
Oignies
Billy-Montigny
Sallaumines
Méricourt
Rouvroy
Sains-en-Gohelle
Loos-en-Gohelle
Lillers
Aire-sur-la-Lys
Saint-Omer
Arques
Blendecques
Wizernes
Longuenesse
Lumbres
Fauquembergues
Thérouanne
Hesdin
Montreuil
Le Touquet-Paris-Plage
Berck
Rue
Abbeville
Saint-Valery-sur-Somme
Le Crotoy
Cayeux-sur-Mer
Ault
Onival
Mers-les-Bains
Le Tréport
Eu
Gamaches
Oisemont
Saint-Saëns
Neufchâtel-en-Bray
Forges-les-Eaux
Gournay-en-Bray
Aumale
Blangy-sur-Bresle
Envermeu
Dieppe
Pourville-sur-Mer
Varengeville-sur-Mer
Sotteville-sur-Mer
Saint-Aubin-sur-Mer
Quiberville
Saint-Valery-en-Caux
Veulettes-sur-Mer
Fécamp
Yport
Étretat
Le Havre
Sainte-Adresse
Harfleur
Montivilliers
Saint-Romain-de-Colbosc
Criquetot-l'Esneval
Bolbec
Lillebonne
Caudebec-en-Caux
Duclair
Saint-Pierre-de-Varengeville
Yainville
Jumièges
Le Trait
Barentin
Pavilly
Yvetot
Motteville
Saint-Valery-en-Caux
Cany-Barville
Valmont
Fontaine-le-Dun
Doudeville
Clères
Buchy
Forges-les-Eaux
Neufchâtel-en-Bray
Gournay-en-Bray
Aumale
Blangy-sur-Bresle
Envermeu
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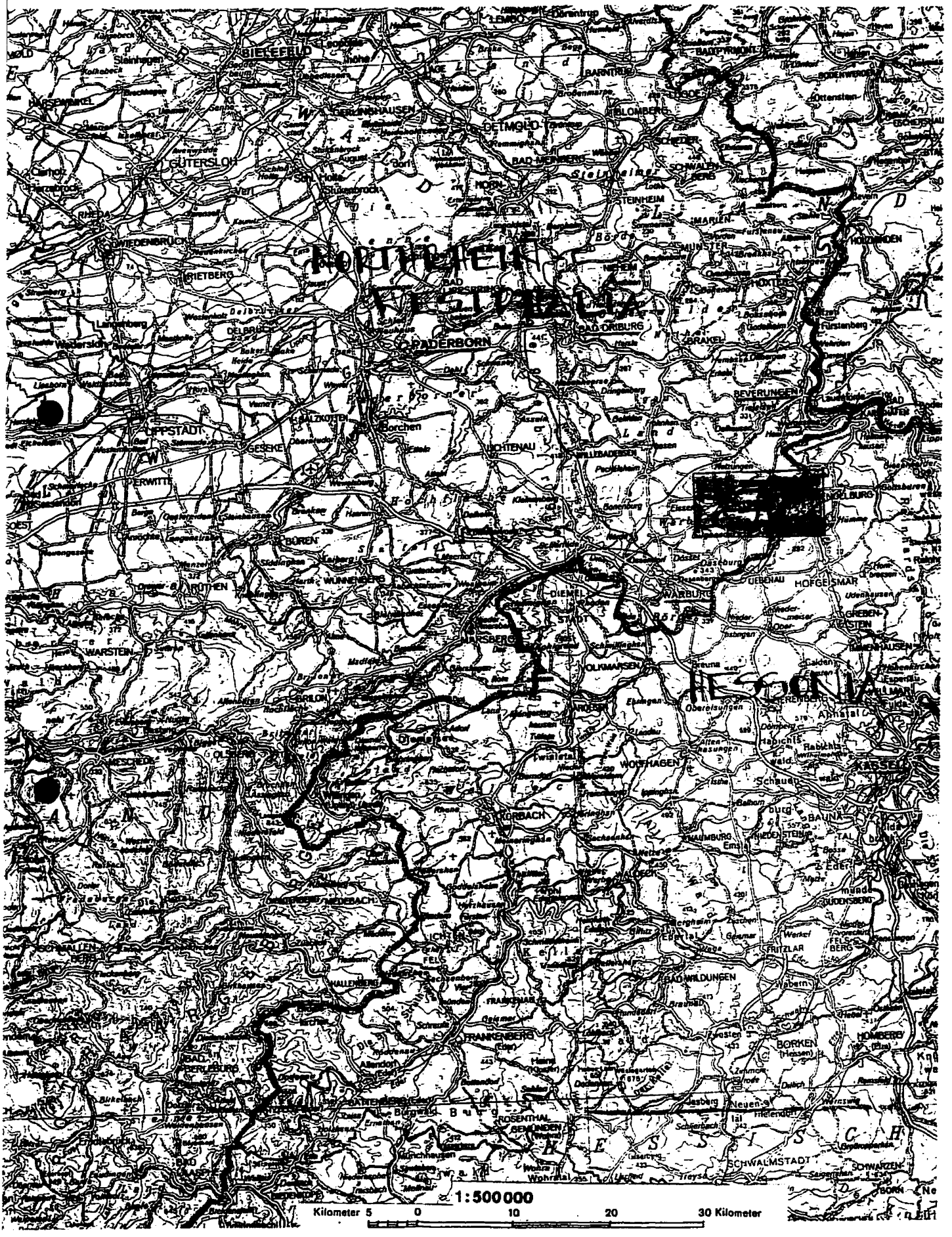
Duclair
Saint-Pierre-de-Varengeville
Yainville
Jumièges
Le Trait
Barentin
Pavilly
Yvetot
Motteville
Saint-Valery-en-Caux
Cany-Barville
Valmont
Fontaine-le-Dun
Doudeville
Clères
Buchy

# The closer area – Northrhein-Westphalia / Hessonia



# CHAPTER 2

## *2.1. The research area*

Eichelborn is a small town in the Westphalia region of Germany. It is located in the fertile Warburger Börde area in the southwestern part of the county Höxter. Even though the town received the 'town rights' in 1280[91] and even though it was once considered "the fourth capital of the principality Paderborn"[92], I speak of Eichelborn as a village in the context of this work, since it was for a long time characterized almost entirely by farmers and craftsmen, and their local economic networks. It exhibited a village and rural social structure until far into the 20th century. Eichelborn was characterized until the 1960's mainly by:

- Farmers that worked their land with the help of cattle (called 'Öskers'). These farmers were often craftsmen, but also day-laborers who farmed on 1 to 2 hectare for their personal needs,
- Small farmers with 3 to 8 hectares of land who practiced crafts as well as farming,
- Farmers with mid-sized farms of 10 to 20 hectares and 1 to 3 horses,
- A few grand farmers who had 30 to 45 hectares and 4 to 5 horses,
- Some local administrative workers and teachers as well as a vicar and a druggist who did not work any land.

The area around Eichelborn is intensively used agricultural land. To the south of Eichelborn is the very fertile Löss soil that the region of the Warburger Börde is known for, and to the north and northeast are less fertile clay soils. Only 19 hectares, i.e. 0.6% of the whole area, are covered by forest. Until the mid 1970's, there were many pastures with fruit

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[91] Towns developed mostly from "markets" that served the sale of mostly agrarian products of the respective landowner. When craftsmen increasingly started to settle down around these "markets", they were often bestowed with "free town rights" in the Middle Ages . These included market rights and the common law of salesmen and their guilds.

[92] Brilon (1919): 57.

trees around the village where the cattle could graze, but the consolidation of farm strips that was introduced on September 12, 1977 by the provincial office of agriculture, led to the merging of the dispersed plots. The consolidation of farm strips was caused by the construction of the highway B 241that strongly changed the character of the landscape.[93] The goal was also to create productive units that were as extensive as possible and that would allow the modernizing farms to produce as efficiently as possible.[94] Before the construction of this highway there used to be smaller roads connecting Eichelborn with the surrounding towns. Most of them had an asphalt surface by the middle of the 1950's; some were still cobblestone-roads. Public transportation (bus transport) developed rapidly at the beginning of the 1950's, and was reported to not have been bad. The first villagers owned cars at the end of the 1950's.

The streetscape of the village used to be characterized mainly by agriculture, craftsmanship, and their small businesses. Today, the visitor sees new housing estates, gas stations as well as commercial space[95]. Whoever comes to Eichelborn nowadays notices the obligatory gambling den as well as the tanning studio and numerous supermarkets. Additionally, the core area of Eichelborn with a population density of 70.7 inhabitants/km$^2$ has a Catholic and a Protestant Church (for the Protestant minority), an organ museum, a swimming pool, a primary and secondary school and a gym.

Eichelborn today has 2385 inhabitants.[96] Of these, 1800 are members of the Catholic Church and 109 of the Protestant Church. The CDU (Christian Democratic Union - German center right party) has traditionally the absolute majority in the town council[97].

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[93] B 241 stands for 'Federal Highway' No. 24.
[94] Murmann, F. (1980): 172.
[95] For example furniture, construction materials, plastics, light metals, wood, textiles.
[96] For a list of historical population figures see the Appendix.

## *2.2. Social life and cohesion, kinship relations and standard of living*

The village inhabitants reported of a rich cultural and social life before the transformation. The festivals that were celebrated were associated with weddings, baptisms, birthdays and communions, and those determined by the Catholic calendar, such as Epiphany, the Easter fire on Holy Saturday, rogation processions, the carnival period etc. Another festival of central importance was the Schützenfest[98]. Throughout the year 2 to 3 kermises took place in Eichelborn. The village inhabitants usually looked forward to going to kermises in the surrounding villages and towns, as well[99]. For entertainment people, came together almost daily, and chatted, sang and told stories. Important meeting places were, for example, the grocery stores, and for the village youth the house of the voluntary fire brigade. The churches, as well, had a strong social function. There existed, for example, a Catholic and a small Protestant church choir, as well as a secular mixed choir.[100] The majority of the village inhabitants attended church regularly, and the rate of church attendance did not drop before the end of the 1960's.[101]

There existed rather close kinship ties among the villagers. About 60% of the inhabitants used to marry into families in the village. Among the important sources for meeting potential partners from outside the village community were the kermises in the surrounding small towns and villages mentioned above. Normally very few individuals, for example those who went to high school in Warburg or Paderborn, or those who went to study

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[97] At the moment 52%.

[98] The Schützenfest is celebrated in rural areas in Germany and Austria. Archery competitions are held and the winners become the Schützenking or -queen. Their prize is usually a chain which is placed around their neck and which they keep until the following year. Usually there is also a procession and a small fair.

[99] As for example the so-called 'Libori' kermis in Paderborn.

[100] The choirs still exist today, but I was told that they have been more active in the past.

[101] This was reported by the former Catholic priest of the village. He estimated that about 70% of the members of his parish attended church regularly until then..

at a university married someone from a very distant place.[102] Most people stayed and worked in the village after their education until the end of the 1960's. Until the middle of the 1950's it was mainly women who left the community to live with their husbands' families in one of the neighbouring communities. From the same time on, mainly young men and women who served as maids and valets left the village in order to search for wage labour in factories and/or road construction[103]. That situation had changed by the end of the 1960's when more and more villagers took on jobs in factories or other jobs outside the agricultural sector, for example in the nuclear power station in Würgassen, where they were able to receive fixed wages.

Basic educational possibilities existed in Eichelborn, such as an elementary school where children were educated until grade eight. Until the middle of the 1960's, the majority of children stopped school education at that point and started an apprenticeship as a craftsman in the village or in the surrounding towns and villages, or went on to an agricultural school, located in the nearby town Beverungen. Few adolescents went on to high school in Warburg, and then on to study at a university or a college for higher agricultural degrees. About 40% of those who left the village for education returned later in order to work in their native village or in the neighboring villages and small town communities.[104]

The change in the standard of living was closely related to village inhabitants committing to wage-jobs outside the village community. The inhabitants reported that even though there existed some electrical devices, such as refrigerators etc., from the early 1950's on, most households still had up until the middle to the end of the 1960's coal ovens and no automatic washing machines. The majority of the households had no internal plumbing

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[102] This is also an estimate of the same Catholic priest.

[103] See also 2.3.1. 'Additional work force: farm labourers and maids'.

[104] All of these estimates come from one of the former elementary school teachers. They were confirmed to be true by another one.

installed until the middle of the 1950's.[105] Daily housework took, according to the reports, more time than today, but it was also common that older children used to help more. The standard of living in terms of the availability of electrical and automatic devices seems to have changed slowly before the middle of the 1960's. Towards the end of the 1960's and at the beginning of the 1970's, a faster change is reported.

Altogether, the gathered information and the reports of the local people piece together the picture of a community where strong social and family ties existed between its members. Alternative sources of entertainment that could compete with television and movies seemed to have been available, and their use normal. That might have been limiting the impact of the new media on importing new values into the village thus contributing to the maintenance of the traditional village community.[106]

[105] As reported by several Eichelborn inhabitants (for example farmer A, farmer F, and farmer G)
[106] See on that issue also Schultz, U. (1996): 86ff.

### *2.3. The local economy*

Before starting to describe the local economy of Eichelborn, I need to draw a distinction between the notion of 'local economy' that I will work with in the context of this work, and the term 'Local Economy' that was coined in the context of the discussion about a regionalization of production and consumption in the early 1980's in England. This latter notion of 'Local Economy' as an approach stands for new economic strategies in the sense of economic self-help especially in the (ex)industrial centers of concentration. It intends to find action-oriented answers to regional and local effects of world market-oriented politics as well as to develop local strategies to deal with crisis. Projects of this type of local economy arise mainly in regions that were struck by economic crisis, and they intend to promote the creation of new employment opportunities, social self-initiatives and regional networking.[107]

The notion of 'local economy' that I will use in the context of this thesis does not describe a strategy of a social movement against unemployment, but instead the real situation in place in a certain historical epoch. The decisive difference lies in the different levels of consciousness: While the historical local economy of Eichelborn, for example, used to **be** daily social reality, the notion of a 'Local Economy' corresponds to an **idea** of a new organizational form that is supposed to be realized by means of a change of consciousness. Local economy in the context of my work means the village economy of Eichelborn that used to be a rural, to a large extent wage-labor free economy.[108]

The 'local economy' of Eichelborn, as I will describe it in the following, is not a phenomenon of previous centuries, but functioned far into the 1960's, and partially into the 1970's. Until that time, the population of the village consisted mainly of farmers and craftsmen. Eichelborn was characterized by a comparatively high degree of economic self-

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[107] See Hamm, B./ Neumann, I. (1996): 375.
[108] Chayanov, A. (1923).

sufficiency - in the food sector it accounted for approximately 100%. The means of production and labor were strongly connected to the production of the requirements for people's own survival. The main characteristic and motivation of the local economy was the production for people's own needs; there existed neither a great demand for goods from the outside, nor a surplus of local products.[109] [110]

There existed no separation between production and consumption in the village economy of Eichelborn. The basis of economic activity consisted of home economics, agriculture, and the craft industry such that one of these 'economies' could not have existed without the other. In termsof the division of labor within the village, the producers were highly dependent on one another. People in the village were conscious of the fact that their own survival could only be guaranteed in connection with the survival of the other members of the village community. The close relation with one another and the interest of survival shaped the type of morality that informed their economic behavior and social behavior.[111] This clearly corresponds to Polanyi's argument that in pre-market societies, economic action is embedded in social action, and that economic decisions cannot be analyzed as separated from the social realm.[112]

The dependency on one another corresponded to a high degree of independence from the unpredictable demands of the capitalist money economy and of anonymous markets over which local producers have little influence. This independence from the outside enabled people to determine their own life and work rhythm. It also gave them the possibility to choose an appropriate means of production, and to adjust it to the norms and values that were

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[109] Luxemburg, R. (1923): 289.

[110] The description of the specific professions, their products and their demands of tools, raw materials etc. from the outside in 2.2.1. will deliver more detail.

[111] See also quotes in 2.4.3. (of the blacksmith, for example).

[112] See Polanyi's proposition 4.) (Chapter 1). Here, as well, his terminology is misleading when he speaks of 'non-economic' motivations. It seems that they do not need to be 'non'- economic in order to be social, but that they can be both.

defined by the village community. Here it is worthwile to point out the fact that relative autarky and self-sufficiency also resulted from lower demands for external inputs into the local economy. What Bechmann has presented as characteristic for the agriculture of the 19th Century, also describes the rural economy of Eichelborn where, as people reported, no pesticides or chemical fertilizers were used until the 1960's.:

> "Still in the 19th Century, agriculture was a sector of economic production that had much autonomy and independence. It was to a large extent independent of products, such as chemicals, artificial fertilizer, machines and exterior capital. Means of production (draft animals, organic fertilizer, farm implements, fodder) were produced by agriculture and the affiliated crafts itself. The sale chain from the producer to the consumer was short. Farmers and consumers faced each other on the food market only under the interposition of trade and respective processing businesses (mills and dairies)."[113]

I quote this passage in order to remove the myth that self-supplying rural production has only been practiced in remote past times. People that are still alive today produced goods for their subsistance under sometimes questionable social conditions, but under ecologically much more rational conditions.

The *interrelation* between economic and social life in Eichelborn can be demonstrated with the help of another example. The four grocery stores were the social meeting places of the village as well as the always well-heated crafts rooms. Work obtained, therefore, an open, social character and, at the same time, the social meeting place was not de-economized. The realms of work and leisure were not separate from one another. The opening hours of the grocery store, for example, were not strictly regulated. When the doors of the stores were closed in the evening, people knew they could enter through the back door. The grocers emphasize the public character of their stores that did not allow for a private life of the owners:

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[113] Bechmann, A. (1987): 53.

*"Almost nobody kept to the opening hours. The store was practically open from seven o'clock in the morning until nine o'clock at night. We've put up with a lot. One was never for oneself around here. Most of the people came to chat, especially the older people. We had a bottle of 'loose' liquor, we have had cognac on draft ourselves. So, people got a shot for 30 Pfennig*[114]*. We had also chewing tobacco and snuff, and whatever the old farmers needed for the evening, they came to get it after closing time. They didn't buy here for stocking up, but for one snuff they came here. When we started to receive snuff tobacco not in unpacked deliveries, but in packets, it was really bad for a while. They became really upset, they wanted to come here in order to socialize."*[115]

Eichelborn was also a relatively autonomous area due to the early granting of town rights in 1280. Its integration into state and market was still comparatively little in the 1960's, even though one could not speak of a hermetic shielding to the exterior world. One supporting factor for this relative autarky was not only people's ability to produce for their own subsistence, but also the fact that the need for money of a single household was very small. Farmers paid, back then as well as today, a tax on real property[116] that depends/ed on the size of the property and its soil value. Beyond that there were almost no regular monetary payments. Correspondingly, the monetary income was low.[117] The surplus of production[118] was marketed in the village itself or in its immediate proximity. Many families, even income receivers such as teachers, had one or two pigs in addition to their own needs in order to sell these animals to local or regional animal traders who, marketed these animals in the region of Kassel or the Ruhr area. Whatever was consumed, but not produced in Eichelborn, was brought into the village by traveling traders: leather, textiles and other raw materials for the crafts as well as herring for private consumption.

A close network of work exchange that presented another precondition for the village's relative autarky characterized the local economy. The farmers worked the land of

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[114] Pfennig - German equivalent to the Cent.

[115] Note also the description of the strong social relations in the village (see also 2.2.)

[116] Today, farmers additionally pay an income tax, but only if they do not have negative balances. Farmers normally do not pay taxes for commercial profits.

[117] See also 2.4.3. 'The role of money in the local economy'.

[118] Eggs, milk or meat.

all of the non-farming inhabitants of Eichelborn. Normally, every craftsman or trader household had close economic exchange relations with one or several farms. To work the land of the craftsmen meant the farmers would plough, harrow, sow, harvest as well as remove the grain. In exchange, the members of the craftsmen households either worked on the fields for a certain amount of hours or at the harvest, and/or delivered their special products and services[119]. The rural craftsmen produced mainly for the village economy, and they exchanged their products and services between one another as well as with the farmers. Self-sufficiency was also made possible by the fact that except for the farmers, all craftsmen families possessed ½ to 10 hectares of land as well as their fruit and vegetable gardens. A minority of inhabitants who were day laborers and small craftsmen and had no land cultivated at least one hectare of leasehold land. There also existed two hectares of common meadows where the animals of land-less village inhabitants could graze, and where mainly fruit trees stood. Further, there existed two hectares of common forest, and the last local mill belonged to the community, and was leased to the miller who operated it until 1955.

The number and type of animals that were held depended on the size of the cultivated land of each family. To the shoemaker, for example, belonged five hectares of land, two to three cows, pigs and chickens. To the tailor, on the other hand, only two 'Morgen' land[120], a few goats, pigs and chickens. There exists a saying in Eichelborn that expresses the basic idea of self-sufficiency: "The one who had nothing had at least a few goats". An average household of an Eichelborn family of craftsmen after World War II held four to five pigs, twenty to twenty-five chickens, a milk cow as well as one neat, and had six Morgen of land at its disposal. These six Morgen land comprised usually one

[119] As for ex. forging, cart-making, wheel-making, butchering, bricklaying, woodworking, upholstering, electrical works, painting, shepherding, printing, roofing, shoes and shoe reparation, suits and dresses, etc.

[120] 1 Morgen = 0.625 hectare;

Morgen meadowland, one Morgen potatoes, one Morgen beets, and three Morgen wheat or rye, and were used for the personal needs of one family that normally consisted of three generations.

Thus craftsmen as well as farmers were self-suppliers. Almost all of them grew rye or wheat that they had ground in one of the local mills and baked by the local baker. The miller as well as the baker kept a part of the grain or received a small amount of money as payment for the milling and baking, respectively. Surplus of grain was sold or exchanged by the farmers for surplus eggs and milk. Additionally, people grew potatoes as well as cereal and crops for animal fodder. That way, meat, sausage, eggs, milk, coffee self-produced from chicory and grain[121] were available the whole year around. That was the case also for the personal needs for fruit that was grown in the gardens[122]. Fresh fruit was eaten during summer, and it was preserved for consumption during winter. In some households, women produced butter, cheese and quark. Other households obtained these products for favorable prices from the dairy where they were billed together with the delivered milk. An average household in Eichelborn needed from the four grocery and general stores not more than vinegar, salt, oil, sugar, pasta, and mustard. All of that was distrbuted from buckets, big glass jars or boxes filled into brought-along jars and bags, according to demand.[123]

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[121] Rye and barley were roasted by the baker, and were then consumed as malt coffee.

[122] As for example apples, pears, plums, cherries.

[123] The grocery and general stores did not live from the sale of food stuffs, but from luxury goods, such as liquor and chewing tobacco that were sold in small amounts. Additionally, pencils, school booklets, consolation cards etc. were sold.

### 2.3.1. **Professions and products in the local economy**

In order to demonstrate in what diversified ways the rural producers were economically connected to one another, I will list under the following chosen professions their products and services as they were carried out in Eichelborn until the 1960's.[124] Hereby I hope to shed more light on the specifics of the economic and social interdependence of the village inhabitants as well as on the question of what was self-produced in the village economy and what needed to be bought in from the outside.

*The coachbuilder and wheelwright*

The main working season of the cart-and wheelwrights used to be before and after the harvest. In the winter, they often worked as home butchers[125]. The coachbuilder produced carts that were used by the farmers during the harvest and for daily loading and transport tasks.[126] He also produced the carts' wooden wheels, often without machine power using only an axe and a saw. The coaches consisted of indigenous ash, oak, beech wood; the breaks of soft willow wood; and the rungs of oak and pinewood. The spokes were boiled in water and, still hot, fitted into the wheel. Additionally, the coachbuilder produced feeding grids, dividing walls for the stables as well as wooden tools, such as rakes, hammers and scythe handles. With the introduction of rubber wheels in the late 1950's, this profession went extinct rather quickly.

*The blacksmith*

The blacksmith was certainly a similarly central figure in the rural economy as the coachbuilder. He finished the wheel construction of the latter by forging and adjusting an

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[124] I do not mention the farmers in the following list since they appear in most of the text passages anyway due to their central economic position in the village.

[125] Butchers who came to the respective household to butcher the animals and to produce sausages etc.

[126] Each farmer had 4 to 5 carts of that kind.

iron band that reinforced the wheel. He sharpened harrows and pickaxes, forged ploughs and produced draft and farm implements. Further, he carried out the shoeing of horses and farming cattle. In winter, he produced the runners of horse sleighs that were used by the farmers to collect wood in the forests.

Blacksmiths worked closely with saddlers and roofers, for example by producing rings and hooks for saddles and harnesses or ladders. Blacksmiths further manufactured the mounting for the weathercocks on the roofs as well as for chandeliers in the churches. They carried out their hard physical work mainly with the help of hammers and chisels.

*The cabinetmaker and carpenter*

He produced stairs, windows, doors, wardrobes, built-in furniture, cabinets, beds etc. The furniture was produced 'from base', i.e. they manufactured even the wooden boards themselves. Furniture was only produced during the winter when exterior work on construction sites could not be carried out.

He worked exclusively with massive wood that he often would de-bark himself. The main share of the wood came from forest in the vicinity of Eichelborn. The carpenter went to the forest and bought it directly from the forest ranger. Today, indigenous wood is collected and sold in bigger towns (such as Bad Driburg) and marketed centrally.

*The saddler*

The saddlers were the all-round craftsmen of the rural community. They manufactured all leather products that were demanded for professional and private use. Saddlers equipped each age group of school beginners with satchels that were always given to the children for Christmas the year before starting school. They produced horse saddles as well as harnesses for cattle, belts for the carpenter firms, sawmills and dairies. They patched suitcases and bags and upholstered sofas, mattresses and chairs.

The saddlers received the raw leather from wholesale and leather traders who came into the village and who obtained their goods from big leather shops in Bielefeld. Until 1960, the customers of the saddlers were mainly farmers. When the first tractors arrived, the demand shifted from classical saddler activities toward upholstering. The former saddler of Eichelborn today runs a store for interior decoration in which all of the former saddler's activities play only a minor role. The saddler belongs to the minority of those crafts that survived the transition to industrialized production and consumption insofar as he was able to build up a small part of his profession to earn a living.

*The miller*

The miller played without doubt a central role for the supply of the population with essential goods as well. The last and largest of the former five mills in Eichelborn was originally powered by water and from 1949 on by electric engines and was finally closed down in 1955. The mill had been the property of the town of Eichelborn and was leased to the miller. In the mills, grain was ground and shredded. The miller drove once a day with a one-horse cart through the village - in winter twice a day. His horse carried a bell around its neck to make his arrival heard. If people waved out the windows, the cart stopped and he loaded one or more sacks of grain[127].

The best customers of the mills used to be the farmers, but the other families that owned some pigs and other animals in the stable gave approximately one or two sacks per month for grinding.[128]

*The shoemaker*

The shoemakers did not only repair shoes, but also produced them himself until the beginning of the 1960's. The masterpieces consisted of pairs of modern shoes for men. But

[127] The name of the respective family was marked on the sacks.
[128] Approximation of the miller.

since the demand for hand-produced shoes and shoes in special sizes was small in the rural community[129], each of the three Eichelborn shoemakers also had a shoe store where they offered industrially-produced shoes. Mainly the work boots for farming were hand-made. The material, even that of the inner and outer soles, consisted of pig and neat leather. Calf leather was used for the shoe upper. Leather was offered by wholesale traders from Warburg and Niedermarsberg and came from leather manufactures of the regions.

*The tailor*

About 60% of the clothes were produced by craftsmen/women in Eichelborn. In 1953, two tailor businesses existed in Eichelborn. Before World War II, there had been seven. The tailors manufactured made-to-measure suits, shirts, costumes, coats as well as uniforms for the German Federal Armed Forces that maintained a caserne in Eichelborn until 1993.

Male tailors conducted either mixed or pure gentlemen's tailor businesses. Female tailors who went from home to home in order to do the fitting, sowing and patching tasks usually carried Ladies tailor businesses. Whenever these women had business to do in neighboring villages, they would stay over night and up to several days in the house of the client. This was to the host family's delight since whenever the tailor came into the house, real coffee (not malt coffee, as otherwise) and especially good food were served, and one received the latest news from the neighboring village. These female tailors made dresses, blouses, skirts, and costumes, and later also the dresses for the champion riflewomen at the Schützenfests.

The clients selected, in so-called 'fabric books', the fabrics for suits and dresses. The tailors then ordered the rolls of cloth from traveling merchants. After World War II,

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[129] *"Our base of living were in reality the pigs."* (Statement of the shoemaker)

renewable raw materials for textile production, such as flax, were rarely grown in Germany.

*The home butcher*

The butcher, in his 'summer profession' often a coachbuilder, later a bricklayer, went in the winter from house to house and slaughtered the pigs that had been fattened throughout the previous year. Afew days after the 'hanging' of the dead animal, he returned and produced sausages together with the women of the respective household. The meat was then hung to dry or to be smoked at the smoking chamber and eaten throughout the following year.

*The building contractor, builder*

The building contractor was one of the few figures in the village economy that actually employed craftsmen[130]. The bricklayers that worked for him built houses and barns in close cooperation with the carpenter and cabinet-maker businesses that were responsible for setting the roof truss and for building the windows and the stairs. Additionally, the construction of a house required the work of floor layers, plasterers, plumbers and roofers. Until the beginning of the 1970's, exclusively solid houses out of brick and natural stone were built in Eichelborn. The foundation of a house consisted of indigenous sandstone that could be obtained directly from the stone quarry of Eichelborn. The bricklayer who was normally also a stonemason cut the material into formed stone. Tiles for the roofs were baked either directly in Eichelborn or in the near town Bonneburg. Today, they are delivered from all around Germany as well as from different European countries.

*Additional work force: farm laborers and maids*

The local economy of Eichelborn rested on the local crafts as well as on the farmers' family economies[131]. Especially agricultural businesses with much land often needed more

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[130] See also 2.4.4. in regard to the problems this fact caused him in the transition period.

[131] According to Chayanov the farmer family economies did not employ any wage laborers, but use only the labor of its own members. The notion of family, however, extends blood relationship: He defines the farmer's family as a "circle of persons that sit constantly together around a common table." (1923):10.

work force than available in the family. The farm labourers and maids were most of the time recruited from families in the village with numerous children. These families had often little land in comparison with the number of their children, but they were nevertheless not necessarily poor people. Many of these families gave one or two of their children for a restricted period of time to farmers in need of labor for free food and lodging. These farm workers and maids normally received no or comparatively little remuneration for their work. If they were paid it was in the form of cash that was paid in cash or natural produce. In general, one estimated "a cow for each farm worker", i.e. the farm worker received the amount that was brought in by a cow. According to old farmer D: "*They received what they reserved themselves. A contract was made and that was kept to.*" Additionally, they were given work cloths and shoes for Christmas. It also happened that both parties agreed upon the utilization of land for the farming of potatoes. Farm workers and maids lived with the respective families for whom they worked. They were fully integrated into the respective farmer families as well as into the rural society, as a whole, and were usually treated like family members. With one difference: They were not considered in the line of succession and heritage. Therefore they were not given the possibility to build an economically independent existence. Normally, they did not have more than they needed for the basic requirements of their life. It is thus no coincidence that these farm workers and maids were among the first who left the rural economy of Eichelborn and looked for wage jobs in industry or in road construction from the middle 1950's onward.[132] Wage labor outside the village offered them not only comparatively high remuneration for their work, but also the possibility to save money towards the purchase of their own house or the foundations of an independent occupation.

[132] See also 2.2. on social life and kinship relations.

## *2.4. Exchange relations in the local economy*

The following features characterized the local economic circuits in Eichelborn: Money played only a marginal role, bills were usually settled only once a year, and buying on tick was a common practice. A basic principle of the local economy was also reciprocity in its different versions. In the following, I will describe in more detail these characteristics of the Eichelborn economy that strengthen the argument that it can be considered a Polanyi-type community since the interrelation and interdependence of the social and the economic realms can be clearly demonstrated.

### 2.4.1. Annual billing

As mentioned before, each craftsmen household stood in close relationship with one or several farms. These relationships were normally handed on to the respective successor of the farm. Farmer A worked, for example, the land of the Eichelborn coachbuilder and butcher. The latter, in turn, produced wheels for the harvest carts as well as ladders from farm-owned ash wood. At the end of the year, both parties usually met to make out the bills. They would ask one another: "*What do you get?*" The answer was often: "*Nothing.*", since both parties had worked for another in a balanced way. Farmer A describes that it has always been his goal to deal with economic relations in a cash-less manner, i.e. based on the principle of reciprocity.

In this case, and in numerous other cases, one did not settle the bill in a 'hard' way, not each and every service was written down in detail and went into the calculations. Instead, one guessed roughly and took for granted the sincerity of the other party. The economic relation between farmer A and the coachbuilder, for example, was one that rested on mutual trust. In general, one could say that the vagueness of the bills correlated to the level of friendship between both parties. The closer the social relationship was, the more vague the

bills were. The smith characterized the economic relationships in his environment in the following way: "*We did not calculate much. What was supposed to be calculated? Once, one had more, another time one had less. It always worked out more or less.*" The butcher reports something similar: "*Nobody here wrote down something (services given etc.). It was once more, once it was less. Whether someone had two or three pigs slaughtered, it did not matter much. When the year was over, every wished 'Happy Christmas' to another, and 'Happy New Year', and then things continued. One can also say that the bills always worked out.*"

Economic relations have, in this way, not only the function of securing one's life, but also to confirm and stabilize social relations. One was able to show another generosity, that one did not look at the penny, and that one treated one another essentially like members of one's own family. Economic relations based on reciprocity create and require intensive social obligations and mutual esteem.

Aside from the close economic relations between the farms and certain crafts businesses, the farmers and craftsmen needed other products and services from the village economy at regular intervals. Here the opposite was true: the less close the social relationship was with the other party, the more detailed was the bill that was written up at the end of the year.[133] However, in general, what the saddler said was true: "*Back then, nobody really cared too much whether anybody did a stroke of work more or less.*"

This points to Granovetter's concept of social networks through which economic action becomes embedded. It seems that in Eichelborn, as well, 'moral' behaviour was more likely to occur when the other party belonged to one's closer social/economic network. But again, the social-integrative quality of the different types of embeddedness in the local

[133] These bills generally amounted to between 10 and 40 German Mark, on average.

economy versus the modern market economy needs to be distinguished.[134]

The bigger farmers, especially, were expected to show generosity. Many of the smaller farmers, however, paid more attention to writing down more precisely the amounts of labor they had carried out. They did so in order to "avoid trouble" since it could occur that the other party wanted to take too many products or hours of work or to give too little in return. More precise bills, however, did not automatically have the effect that outstanding demands were paid out. Among the great majority of farmers, almost no cash circulated. In response to my question of whether people would say to one another: "*Well, we still get 30 Mark from you.*" Or "*You still owe me 30 Mark*", farmer D answered in an amused way: "*Of course, that happened now and then. But it definitely was not paid out then. To the most, it was debited to the bill of the next year.*" Since little money circulated within the village and because the single households had a very restricted amount of money at their disposal, people tried to manage economic transactions, at least in their immediate environment, without cash payments.

### 2.4.2. **Buying on tick**

Annual billing was a normal practice in Eichelborn, especially in the non-monetarized economic relations between farmers and craftsmen. A different situation existed if somebody constructed a house and ordered ten windows, for example, from the cabinet maker/ carpenter. In this case, the craftsman did not wait until the end of the year, but he sent the bill right away since monetary costs had arisen that he needed to retrieve. Immediate monetary payments were normally made only when the real costs of materials occurred on the side of the producer and had to be paid to suppliers outside the village economy, as for example fabric (tailor), herbs (butcher), leather (shoemaker, saddler) etc..

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[134] See Chapter 1, 'Network-analysis versus Polanyi'.

Besides annual billing and immediate payment in these specific cases, there existed also the principle of buying on tick. This worked in the following manner. To one of the four grocery stores of Eichelborn, for example, belonged ten Morgen land that were worked by a farmer from the grocer's clientele. For harrowing, ploughing the land as well as for removing/harvesting potatoes and mangelwurzels, the farmer was able to buy on tick from the grocer up to an amount that had been negotiated beforehand. As soon as the amount was reached, the farmer paid in cash again.

Another case: a cabinetmaker built shelves for the grocer. Instead of writing a bill for his product, he as well was able to buy 'free of charge' at the grocery store until the price of the shelves that he had determined was reached. People reported that they were not concerned with potential gains or losses from the interest of and speculation with these amounts of money. Instead, the price for the shelves stabilized the local economic circuits by not appearing in the form of cash. The cabinetmaker was bound to buying in the same grocery store for which he had produced the shelves at least as many goods as the shelves had cost. In this way, the grocer secured himself the needed product (shelves) as well as a client.

The fact that labor in the local economy was <u>not monetarized</u>, also plays an important role in this context. The local labor was not subjected to economic calculation. The local labor affected the price not at all or only insignificantly. Farmer family A, for example, received five loaves of bread from the baker every week. These loaves were not paid for, but were instead written down in the so-called 'bread book'. Family A was able to come and get bread throughout the year because it had delivered the baker shredded grain during threshing time. The family needed to pay the baker in cash once a year the wage for the <u>labour of baking</u>. This payment was, in relation to the material costs, very low. [135] In some cases, such

[135] It was paid also by those who came with 100 pounds of flour to the baker and who received 100 pounds of bread.

as at the occurrence of a client's acute or chronic scarcity of money, the exchange of natural produce could also be sufficient. In such cases, the baker did not take any cash, and instead had the client pay him the wage for baking in flour or grain. Then, the baker processed this grain according to demand or he sold it to the so-called 'grain house'.

The wage consisted, therefore, not necessarily of cash. Even the wage for the miller was often grain. When the sacks of grain arrived at the mill, they were weighed. A certain amount of grain was taken off for each hundred kilograms[136]. The miller: "*We kept these amounts of grain directly. That was the simplest way of dealing with it. That way, one didn't have to ask for each sack whether one received a couple of Pfennig.*"

In the mill, cash was only seen when a pig holder, who did not have grain himself, bought some sacks of coarsely ground grain or when the wage for milling was sold to the 'grain house' in the form of surplus grain.

### 2.4.3. **The role of money in the local economy**

Production in the local economy seems to have always been societal production in a comprehensive sense. That is, that which is produced is exactly what is needed in the local. Production is, therefore, a conscious process that is based on use-value. It also means that production as well as sale reflect and take into consideration the social conditions. One does not work mainly for gaining money, but for one's own demand, and at the same time for the village community. At the centre of economic activity stands not abstract, maximizing-economic demands, but the subsistence needs of the inhabitants.

Production and exchange in the local economy of Eichelborn corresponds to the process of a simple circulation of goods, as described by Marx. Selling in order to consume.

[136] normally 5 pounds for grinding the grain coarsely and 2 pounds for shrinkage.

the transformation from commodities into money and the re-transformation of money into commodities (C-M-C) is in contrast to consumption for sale (M-C-M) not based on profit maximization, but on the satisfaction of demand. The motive of circulation is the use-value.[137] In this simple circulation of commodities, money is transformed into a commodity that, in turn, serves as use-value.

> "The circuit C-M-C starts with one commodity, and finishes with another, which falls out of circulation and into consumption. Consumption, the satisfaction of wants, in one word, use-value, is its end and aim. The circuit M-C-M, on the contrary, commences with money and ends with money. Its leading motive, and the goal that attracts it, is therefore mere exchange-value."[138]

The social dealing with the limited amount of money that circulated in Eichelborn was - analogous to the character of money itself - based on use-value. That, in turn, allowed for a highly diversified use of money. The facets of use-value are 'by nature' more versatile than the goal of money accumulation. The social way of dealing with money has for example the consequence that economically weak members of society are not marginalized and stigmatized, as in a maximization economy. They survive under materially simple, but not pauperized conditions because they are virtually taken out of the equation for the monetarized part of the economy by the other producers. In that way, they are able to remain an integral part of the overall economy.

Here one can see that the utilization of money as a means of exchange does not automatically lead to a "neutralization of personal relations"[139], but that it is the social dealing with money that molds social relations.[140] Work for the craftsmen was not only the gaining of an income for oneself, but it was also a social obligation. This was the case because they were able to recognize the effect of their activity on the other village inhabitants (whether

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[137] Cp. Marx, K. (1972): 147f.
[138] Ibid.:149.
[139] Cp. Heinemann, K. (1987): 333.
[140] Cp. Bennholdt-Thomsen,V. (1994), Parry, J./Bloch, M. (1989).

they worked or not) due to the close economic and social entanglement within the local economy. For this reason, small farmers and day labourers, for example, who were rather often not able to pay in cash, did not have a bad reputation. The creditors excused their weak economic position with the reasoning that they had to raise many children under difficult conditions. The limits that were set to the accumulation of money by such an initial position were generally accepted. In these cases, according to the blacksmith: "N*othing was to be gained. They didn't have anything. And if they additionally had bad land, then they were just able to pay for their coal in the winters. If we had to get money from people like this and it didn't come, then one said to oneself: 'That's just the way it is!' And then we continued to work for them.*"

The cabinet maker, as well, gave up quite a few sums of money, and the baker states that even though most people paid their bills at the end of the year, "*the one's who didn't have anything, received their bread from us for nothing. After all, we couldn't let people die of hunger.*"

Further, it was self-evident to people that the price fixing was not subject to market criteria, but to social criteria. Poorer members of the village community did not have to ask for a lower price - it was in most cases given without complaint. The butcher: "*Every craftsmen had <u>enough</u> brain to recognize who was able to pay how much, and who was possibly not able to pay much.*" In particular, older people often urged younger people to give goods away, regardless of whether or not they could count on something in return. The baker reported that his aunt used to say: "*Just give it to him, he's really a poor manikin.*". Another example was given by the owner of the shoe store: "*We used to know all the strokes of fate, afflictions and problems in the families. And so, one turned a blind eye now and then, evenl in the 70's, to persons on welfare, or to people with many children. In those cases, the elders said: ' Leave it, we can live well, and they have nothing.' People were not running so*

*hard behind the money. The small agriculture helped us much in that regard since we always had something to eat. What do you think, how many people came shortly before Christmas to us, from whom one knew that they really didn't have much. And they still needed a pair of slippers or boots for their children, or otherwise they got wet feet. And when they then said, we will pay that after Christmas, we often said " take it without anything in return". It is a Christmas present from us. That happened many times."*

The blacksmith points to the fact as well, that he has always felt obliged to work for his clients even if he knew that they might not be able to pay him. An excerpt of an interview with the 71-year old master reveals an attitude that stands diametrically opposed to the currently-favored economic rationality[141] because it is based on accepting the social obligation for the larger community.

Question: "How did you react when your clients did not pay?"

The blacksmith: "*We had to work, that was our moral obligation. In these cases, we just waited for the money.*"

Question: "What does it mean -- you were morally obliged?"

"*Well, we were needed. The farmers who had horses, they had to use their horses, and they needed to be shoed.*"

Question: "But you could have said, since you cannot pay me, I won't work for you?

"*Well, and then? Then the farmer wouldn't have been able to hitch up his horses.*"

Question: Could that not have mattered to you, as well?

The blacksmith (amazed): "*But that **did** matter to me. That much **decency** one had.*"

The 'decency' that the blacksmith is talking of is not in the sense of a monetary-directed 'morality' in paying one's bills, but in contributing to securing subsistence for all village

[141] The dominant economic rationality of the *homo economicus* tends to become societal rationality as such. Cp.Filli, H. et al. (1994).

inhabitants.[142] Accepting responsibility for the well being of the context of the entire village stands as an old tradition. The obligation of reciprocity used to be not only self-evident economic practice in pre- or early capitalist societies, but it motivated the pre-modern philosophical discussion of economic life. Egner reports a dialogue between Socrates and Kritoboulos. Socrates says:

> "You have great wealth. Therefore, one expects of you great expenditures to honor the gods, to support the polis in fulfilling its tasks, but also to show your generosity to your friends from time to time. But if you do not live up to these expectations, one will treat you like a thief."[143]

Even though the ancient notion of economy was based on hierarchical and exploitative social relations, one felt those to be 'thieves' who accumulated large amounts of money or goods without giving back at least part of their gains to the social community.[144] This morality also dominated economic relations in Europe until the times of early capitalism (not taking into consideration colonialism). Sombart demonstrates in one of his studies of European economic life, how a very slow transformation took place in the attitudes about the conditions under which business could be and should be allowed to be carried out. For Sombart, the 'spirit of the middle ages' stayed dominant up until the 18th Century: frowned upon was any limitless and inconsiderate accumulation at the expense of others. The main idea was valid: "that economic activity had to serve the entirety, and that it lies in the powers of everybody to arrange his business in a way that makes a harmonic development of all parts of the grand societal organism possible." Sombart emphasizes that what he calls

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[142] These statements support several of Polanyi's propositions, as listed in Chapter 1), such as
1.) The motive of gain is not natural to man;
2.) To expect payment for labour is not natural to man.;
3.) Economic systems are embedded in social relations....The embeddedness occurs through two main relations: reciprocity and/or redistribution.

[143] Egner, E. (1985): 26.

[144] At this point, this discussion can be only about a rough sketch of general societal trends. Therefore, my statements might sound a bit categorical. It evidently depended who was able to enforce what moral standards and towards whom. Here, only citizens of the polis are mentioned, not the ones without any possession or rights.

'traditionalist attitudes' were still present in the early capitalist epoch.[145] Based on this study of the local economy in Eichelborn a communal securing of subsistence based on reciprocity stood at the centre of economic activity not only in the 18th Century, but also within industrialized societies of the 20th Century,.

Returning to the question of the role of money in the local economy, it can be stated that the right to subsistence, granted to all members of society, seems to have meant that a right to money could not be guaranteed. The exchange of money in Eichelborn was mainly carried out without any money actually changing hands. Many bills were paid □ if at all □ only months after they were received. The craftsmen were expected to wait patiently for their money. If a long time had passed, one occasionally went to the debtor and politely reminded him of the outstanding sum. But in actuality, according to the saddler, "*that was not common*". Only when the debtor came to him for another work, "*they occasionally remembered that we still had something to get.*" But even then, it often happened that the craftsman had accept some sacks of barley or seeds or a piglet. The craftsman used these natural products either himself or he temporarily changed his occupation and became a grain or seed trader in order to help himself receive a monetary equivalent.

The shepherd, who daily made his way to the farms, often used the opportunity to remind his debtors of outstanding money. The farmers reacted calmly. They usually answered him: "*Oh, I had totally forgotten about that. Why don't you just take some mangelwurzels from the field?*" And the shepherd was satisfied with that: "*That helped me a bit further, as well. Cash was just not the most important thing.*"

The hesitation with which outstanding sums of money were called shows that evidently no societal, generalized consciousness existed that there could be something such as

[145] Sombart, W. (1928) : 38.

a 'right to money'. If the craftsmen would have been convinced of the fact that they were entitled to a monetary wage in exchange for their labour, they probably would have tried to collect it with greater vehemence.

In the 1950's and 1960's in Eichelborn, the situation was the opposite: the reminders of outstanding demands were so embarrassing to the creditors that they avoided sending a reminder. And if they did so, they tended to send their children to the debtors. The debtors, on the other side, felt much less awkward about owing money. Many used to deal very self-confidently with monetary debt, for example the shoemaker reports:

> *"As a kid, I had to go around and deliver bills once a year. The entire year, the clients had bought on tick: new shoes as well as repairs. And when the bill was brought, the farmers were often even rude and threw one out. They said then: 'Whenever the next milk money is due, then you can come back.' That was still the case even in the 1970's that they often led one wait for half a year until they got around to pay. And when one allowed oneself to send a reminder, then one was rid of the client."*

The sending of reminders and the calling in of overdue money from clients by means of a bailiff had in a local economy the consequence of losing social prestige. Since everybody knew everybody, each person was directly connected to the destinies of the other village inhabitants, and each individual did not only have to make the demands dependent on the delivered work or service, but also on the business partner's *ability* to pay. Moral-economic activity results, therefore, not from some kind of 'good-naturedness' or abstract 'morality', but from the insight into the limitations of human labour as well as of nature.[146] To send reminders would have meant to consciously ignore the social background of insolvency. And "one just didn't *do* that". The carpenter: *"Farmers were able to give away more easily natural products than cash. People went with their affairs to lawyers only in the*

[146] Cp. Mies, M. (1994).

*most extreme case, if at all. I, personally, rather gave up on the money. To go to court? I don't know whether that's the right way to go about it.*

Today, it is as normal in Eichelborn to send reminders as it is in Paderborn or Washington D.C. Facing competition, probably no entrepreneur would be able to afford a generous way of dealing with his/her own resources comparable to that of a cabinet maker in Eichelborn in the 1950's and 60's for example. In an economy that is dominated by anonymous social relations between the producers of the goods that are consumed, it becomes preferable to not even know about the reasons why people do not (or are not able to) pay. That means, the social situation is no longer part of monetary relations for a specific reason and with grave consequences. Leaving the social component out of the equation makes a different interaction with money possible, and this, in turn, allows the reduction of humans into debtors whose destiny can be delegated to institutions, such as courts or debtor counseling.

### 2.4.4. **Traders' Dilemma and Free-Rider behaviour**

Economic relations that were based on mutual obligation, on buying on tick as well as on the exchange of natural goods were not to the advantage of all inhabitants of Eichelborn. While they were of use for the genuinely local economic circuits, businessmen that relied on monetary income complained about the almost non-existent morality in regard to payments in the village because they themselves had monetary expenditures. The building contractor, for example, who in the post-war period had many barns being built with high expenditures on wages, was often paid in natural goods, animals and services. In his wage book, for instance, one can find the remark that the construction of a barn equals one goose. The builder into the problem of having to pay his bricklayers in cash. The builder: "*Of course, the person who gave me the goose, did not inquire about that. I had to pay the bricklayers from the*

*substance of the business. One could not pay a worker in natural goods, all of them had enough to eat from their own land. Every bricklayer fed his own pig.*"

For the shoemaker business with an accompanying shoe store, the following problem arose. The shoemaker family had to participate, on one hand, in the money and goods economy but was obliged, on the other hand, to take into consideration the social relations in Eichelborn when selling the goods. This constituted a classical case of the 'Traders' Dilemma'.[147] "*As 'middlemen' between a moral economy and a market economy, such traders carry the risk of economic loss on the one side and of social discrimination, on the other side.*" [148] Due to the monetary demands of suppliers from outside the local economy, in which moral economic laws were not valid, the accumulation economy had a direct effect on the 'moral' economy of Eichelborn.

The solution to the Traders' Dilemma can be migration or the development of trader minorities.[149] In Eichelborn, the solution seems to have been that many craftsmen fed pigs not only for their own demand, but also for sale in order to receive some cash for their suppliers.[150] The shoemaker family tried to follow the monetary demands from the monetary economy by means of loans from the bank[151] in order to pay his suppliers – undoubtedly a solution that went one-sidedly to the expense of the trader. If his family had not had had a basis for subsistence[152] aside from his business "*then at times, we would not have been able to survive at all.*" Outstanding loans caused the shoemaker family to introduce biannual instead of annual bills at the beginning of the 1970's. This caused them much trouble. "*The farmers*

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[147] Cp. Evers, H.-D. (1987) and contributions in Evers, H.-D./ Schrader, H. (1994).
[148] Schrader, H. (1994):14
[149] Evers, H.-D./ Schrader, H. (1994).
[150] Pigs could be sold to animal traders or butchers, for example.
[151] This bank was one of the branches in the village of big banks (for example Deutsche Bank, Sparkasse etc.). There existed no local, cooperatively owned banks in that area.
[152] 4 hectares of land, two cows and some pigs.

*were just not used to paying. That was not necessarily their bad intention, but they didn't necessarily have an understanding for the small craftsmen.*"

An argument that is brought against the moral economy from the side of some businessmen is its susceptibility to one-sided attempts at exploitation, especially in the transition state from the moral economy to the market economy. The shoemaker family, for example, felt to a certain extent to be at the mercy of the local economy since it perceived itself as not being able to react adequately to inappropriate behaviour on the part of the clientele. The family found it upsetting that in 1978, the year when they closed their shop, clients who still had outstanding bills and who also did not intend to pay them still came to hunt for bargains at their shop's final sale. These people must still have referred to the rule: "*we are not rich, therefore, we don't have to pay*". Even though more and more people paid for shoes in cash in the 1970's[153], those who were not able or did not want to pay continued to buy on tick. What especially filled the shoemaker family with indignation was the fact that some of these people had the money to buy shoes from warehouses in Paderborn, for example. And that was not enough: "*Then they even brought these shoes to us for repair. They sent their children with a 10-Mark bill in order to pick up the shoes, but the list of bills stayed the same.*"

This could be called an 'extended Trader's Dilemma'. The businessmen still tried to submit themselves to the moral economic codex in favour of their clients. But the clients who profited from that left the grounds of reciprocity and aggravated the Traders' Dilemma by means of a behaviour that the neoclassical text book economy calls 'free-rider behaviour'. Such a behaviour becomes possible because the advantages that derive from moral economic

[153] Yet in the shoemaker's workshop the old habit was still kept up that bills were balanced only at the end of the year.

behaviour are advantages "*...that are of use also for those who do not contribute to their provision, i.e. who do not submit themselves to the rules*" [154].

Free-rider behaviour, however, does not represent a phenomenon that generally occurs in moral economies, as the proponents of mainstream economics claim, but it usually seems to become a problem only when people can reduce their dependence on others to a minimum by means of successful economic activities in the monetary economy (for example wage jobs). In that case, they do not have to rely on reciprocal behaviour anymore. Free-rider behaviour, i.e. profiting from reciprocity without providing services in return, occurs in large numbers when a society finds itself in a transitional state, such as Eichelborn in the late 1960's, early 1970's. Free-rider behaviour is, on the one hand, an effect of the transformational process and, on the other hand, it accelerates the proceeding of the same: Whenever people notice that others do not adhere to the moral economic codex, and they fear being cheated or missing making use of potential advantages – for example price advantages that are offered by shopping in the remote supermarket –, then they leave the grounds of reciprocity faster than they would have thought possible themselves. The grocer reports: "*Every Friday, we had single salted herrings. That meant much work, and we didn't earn much on them. That was more a service hoping that people would buy then also something else. But some people were so bold to just pick up the herring. Then I would become upset, and I have made some sharp remark. But that didn't help.*"

The combination of Traders' Dilemma and free-rider behaviour was not bearable for long for the last shoemaker business in Eichelborn. In 1978, the business closed down. "*The impertinence of many people made the decision to close the business easy for us. You wouldn't believe how many bills were still open at the end. And also of people that would*

[154] Vanberg, V. (1987): 265.

*have been able to pay. We didn't chase down the money. But in our eyes that was fraud.*" Cases of fraud also occurred in the functioning moral economy. Occasional and harmless cases of cheating, however, threatened neither the existence of the single craftsman nor the local economy as a whole. The following example aims to illustrate this fact: The bill for slaughtering was usually not settled at the end of the year, but rather at the end of the season (spring). For most families, several pigs were slaughtered in the course of the winter half-year[155]. The butcher: "*...and after slaughtering the last pig in spring, people used to sit down together with some liquor and a cigar, and then sometimes the screaming started. That means, they wanted to let a pig 'disappear'. They said 'What? You think that there were four pigs? I thought there were only three.' Yes, I experienced that. Not often, but I have experienced it.*" The butcher reported this event as an anecdote. On one hand, one could feel in him a hint of annoyance about the attempt to cheat him, but on the other hand, he knew about the relative harmlessness of this undertaking, and that it required only an objection from his side in order to clear up the attempt of fraud.

### 2.4.5. **Reciprocity**

An important characteristic of pre-market societies was for Polanyi their organization based on means and around the principles of reciprocity and redistribution[156]. In Eichelborn, reciprocity constituted the basis for economic and social life. Expressions of the reciprocal character of the village economy were the so-called return of services, neighborly help and the organization of economic circuits.

Activities that demanded at a certain time of the year a great deal much of labor at once were carried out on the principle of a return of services. For example threshing: a threshing machine was ordered, fifteen to twenty helpers from the circle of people that a

[155] often around All Saints the first one, before Christmas the second one.

family was related to in a neighbourly-economic, relative-economic or friendship-economic way were gathered. These people, often farmers themselves, worked for one or several days only for this one farm. Then it went without saying that the members of the former farm helped whenever these helpers, in turn, had to do the threshing at their farm. People reported that they were able to rely to one hundred percent on the coming of these helpers. The services in return-activities had highest priority for all participants since tasks, such as threshing or harvesting, depended on the weather and machines and did not leave any room for temporal delay. Farmer E: *"Whenever others had ordered a machine, we let everything drop and went there. That went without saying. That was the same for harvesting potatoes."* The helping workers were provided with food during that day by the kitchen of the respective farm. Two meals were normally taken on the fields and one in the kitchen of the farm. All participants expected from the respective farmer's wife an adequate recognition of their labour by means of a Sunday meal, i.e. a special meal[157]. By means of such good food the hosting farmer indicated that the helpers quasi-belonged to the family. *"The ones who didn't offer good meals were only a few, but they were known. Then, nobody liked to go there."* (Farmer E)

Until the beginning of the 1970's, harvesting events based on the return of help were the rule in Eichelborn. Even though the first combine harvesters appeared in the middle of the 1960's, they were first used to a limited extent only for harvesting barley. The times of harvest were described by most of my interview partners as very work-intensive, but also as social events par excellence. Farmer's wife E: *"When I was a young woman, I harvested potatoes every fall for three weeks, always at the fields of somebody else. After that came the mangelwurzels. We had to take them out by hand. That was hard work, but it was a good*

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[156] See also proposition 3.): Appendix *Great Transformation.*

[157] A simple stew was not sufficient, it had to be at least roast meat and potatoes with vegetables.

*time. It is great when so many people get together, and we had much fun."*

Neighbourly help, as well, was based on reciprocity. Whenever a cow calved, for example, it went without saying that the neighbors were disturbed in their sleep in the middle of the night. Nobody thought of that as an intrusion into the neighbour's private sphere. Neighbourhood had, especially outside the village center, as much value as family relationships. When, for example, sausage was produced by one family, the meat stock was distributed to a certain circle of neighbours. Whenever it was these neighbours' turn for slaughtering, the former family received meat stock in turn.[158]

The exchange and the giving away of food was not only part of the rituals of celebrations, but it was also part of the daily dealing with each other. The saddler, for example, reported: *"If somebody had salt or sugar at home, it was enough. All of us were like a big family. If one worked at somebody's house, one had to sit down with them to eat. One was always treated as if one belonged to the family."*

In general, all other principles of allocation and of work organization had to be subordinated to the principle of reciprocity. The building contractor is an example of this situation. It is clear to him that the continued existence of his business under conditions of competition in the market economy would have required a different kind of workforce -- a workforce that was <u>not</u> obliged to the moral economic demands of the local economy:

> *"It could happen to me that two, three workers didn't work for me during the harvest time, even if we had to adhere to deadlines. The harvest was just more important to people than their job in construction. In confrontation with that, I was powerless. I just wasn't able to fire my workers because they had to bring in their harvest. I couldn't afford to do that here in the countryside. I just had to acknowledge that.*

[158] People dealt in a similar fashion with cakes and other food for special events. When there were leftovers of cake at parties etc., the whole neighborhood profited from it.

*And we were always also connected to our people on a personal level. And therefore we tried to solve that jointly. I also felt obliged to their families. We just all knew one another."*

I was interested in knowing whether the builder, a studied civil engineer, appreciated these close personal ties in relation to his ideas of entrepreneurship, or whether he felt that they essentially inhibited his entrepreneurial activity. He answered:

*"Of course, one can make less profit that way. But, on the other side, it was more humane, and we appreciated that, as well. We didn't unjustly make profit at the expense of others. I wouldn't know that we had fights or sudden dismissals of workers. Of course, also my co-workers felt more obliged to sometimes work longer hours or on Saturdays."*

As much as in the realm of wage labor or daily neighbourly help, reciprocity was also the dominating principle in trade relations[159]. Whoever ran a bakery or a grocery had to look carefully at the clients of the store. If tailor X, for example, bought there regularly, it was clear, that the suit of the storeowner had to be custom-made by this tailor. The same principle applied to all other branches. People mutually obliged themselves to buy and to sell the respective offered products and services. Only during the pre-Christmas sale, business people visited one another. The grocer, for example, stated: "*The Christmas sale was always good, since then also clients came for bigger purchases who didn't come during the rest of the year.*" Once a year, it was customary to show one's presence and to express by means of ritualized purchases of friendship not only mutual appreciation, but also one's willingness to cooperate.

### 2.4.6. Cooperation and competition

Cooperation was stressed in the moral economy not only between craftsmen and

[159] As already described by an example in 2.4.1..

businessmen. Among the shoe stores of the village as well as of those in the closer vicinity, even entire stocks. The shoe maker: "*One helped the other whenever something was missing. That worked very well. We didn't perceive each other as competitors, but as colleagues.*" The grocer confirmed this custom: "*Every store had its clientele. Competition didn't really exist, that came only later. We often mutually helped each other when something was missing, and especially when it wasn't possible to order it quickly.*"

Almost all of my interview partners reacted in an amazed to an amused manner to my questions about whether competitiveness existed. The female tailor: "*Competition? No, that didn't exist. All of us had their work, and all of us had enough work.*" The saddler, in contrast, stresses cooperation as a connecting element among the craftsmen: "*Competition didn't exist among saddlers. On the contrary: When something was missing, we exchanged work material. And when advice was needed, one went to a colleague. The relationship was very collegial, and we also played together in the music group.*"

The only craftsmen for whom this evaluation was not true, were the (male) tailors. They report of a competition among the tailors of Eichelborn that was especially fierce in the time before World War II since there were seven tailor businesses in the village. The tailors did not talk much to one another and tried to play one off against the other by means of give-away prices. This constitutes an atypical behavior for the moral economy in Eichelborn that only became more common in connection with the adjusted economic practice during the increased opening of the village to the market economy. This competition can be explained by means of the fact that there evidently existed too many tailors in the village – again, there were seven at the beginning of the war. That means, the supply by far exceeded the demand. Comparisons of prices and special offers would have been possible in other business branches, as well. But there, economic activity was subordinate to the rule of the moral economic codex. For all other businesses and crafts in Eichelborn, no such situation was

reported.

From this case, one can draw the conclusion that a moral economy functioned only when enough resources existed for the securing of an existence for all members of society. This is the reason for the control of the number of craftsmen as well as for the protection of local and regional markets by guilds in former centuries.[160] The question of competition among the villagers points to the validity of Polanyi's claim that the motive of personal material gain is not predominant in human behaviour. Yet, this statement needs to be restricted to the statement: as long as a certain subsistence floor is guaranteed.[161] It also speaks to Polanyi's claim that an economy can work well through regulation.[162]

When the local economic circuits were not protected anymore, for example through an early influence of industrialization on a village, the right to subsistence ceased to lie at the centre of the rural economy. Ilien and Jeggle, for instance, describe the village Hausen in the 19th Century:

> "As little one had pity with a mouse that is eaten by a cat, as little one reacted emotionally to the visible misery in the village. For compassion was basically not able to change anything. Mercifulness could only threaten one's own position in case that it should be more than a small charity."

In this case, the daily fight for survival of everybody against everybody results from the sparse means that are available to the village economy.[163] As has been shown, a culture of

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[160] Cp. Polanyi, K. (1978); (1979).

[161] Cp. Scott, J. (1976); Hartmann, J. (1981); 'subsistence floor' demands a further clarification. I am aware that it can be variable, and needs to be defined for each case. See also Popkin, S. (1979): 25 on the variability of the subsistence level.

[162] Proposition 6.); Appendix *Great Transformation.*

[163] Ilien, A./Jeggle U. (1978): 88.

reciprocity requires a material 'space' in which it can unfold. This 'space' generally existed in Eichelborn, with the evident exception of the tailors businesses.

# CHAPTER 3

## *3.1. Conclusions*

At the end of the analysis of the local economy of Eichelborn remains a picture of a society that is difficult to analyse by means of economic theory. Individual use functions cannot be separated if prestige in society and individual welfare are immediately connected to each other. Wealth is only a side product of social recognition[164]– it is the right and the possibility to distribute that gives social prestige. The actions of people do not serve to secure of their individual interests in material possession, but rather to secure their social rank and social claims.[165] Competition in this society is a social, not an economic one[166], and this social competition for recognition does not necessarily stand in contradiction to an overall economic rationality. She/he who wants to win needs to be accepted by the others – she/he has to follow social rules and norms. Avarice does not pay.[167] Likewise, wherever accumulation is limited, social recognition and use maximization cannot take place in an individual fashion. There is no possibility of becoming independent of the benevolence of the other members of society by means of individual accumulation of wealth. In other words, the system of reciprocal help is not only an element of the circulation of goods, but also an integrative part of the system of production itself.[168] Help systems do not just play an important role in societal organization, in fact, the social structure of production is defined by this entanglement of households through reciprocal transfers[169] as the example of Eichelborn clearly demonstrates.

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[164] Dalton, G. (1972): 53.
[165] Polanyi, K. (1978): 75.
[166] Forde, D./ Douglas, M. (1967): 21.
[167] Ibid.: 23.
[168] Elwert, G. (1980): 682.
[169] Ibid.: 688.

The self-containment of society and the interrelation of its members lead to a unison between public and private interest since economic and non-economic motivations are not separated in such a closed system. The individual perceives his economic position only in regard to his social position.[170] Production is expression of the social relations and is not defined by an economic institution, such as the market.[171] Impersonal, purely economic relations almost do not exist and economic relations are not separated from social ones. People work together and exchange with one another because they are relatives or connected to one another by means of social relationships.[172] The economy *together with* society guarantees security and survival of the individual because the concern for the other members of the community is embedded in the relations of production and social institutions.[173] Therefore, one cannot speak of 'subsistence ethics' or of altruism of the individual. Thus, a 'moral' economy is not based on a separation between economy with an independent logic of decision-making, on the one hand, and morality on the other hand. Morality as a regulator of individual, narrow self-interested behaviour does not have to exist since economic relations are embedded in a social matrix.[174] It is the predominance of redistributive and reciprocal relations that leads to the entanglement of the economic and social systems. This perspective distinguishes itself from economic theory by refusing to follow the idea of extracting economic relations from social relations, and taking social relations and rules into consideration only by means of institutions that have a regulatory function on the economic system. In 'embedded' societies, not only individual profit maximization needs to be restricted by these institutions that serve the common good and give the individual more security, but social and economic relations become one and the same. People do not follow

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[170] Dalton, G. (1972): 125.
[171] Dalton, G. (1967): 159.
[172] Ford, D./ Douglas, M. (1967): 17.
[173] Schiel, T. (1988): 62f.

individual profit maximization and are related to one another by means of a multitude of social, religious and economic relations. Human activity becomes, then, hardly separable into economic, social and/or religious motives. The same norms and rules have validity inside the economic system as in other sub-realms of society. Family life is not excluded from economic calculations, as an example from the local economy of Eichelborn demonstrates: Large families gave away their children as farm workers and maids to farmers who were in need of additional labour.

Recognizing such a unity between economy and society and an all-embracing moral order as described above in Eichelborn, it is justified to define the local economy as a 'moral' economy. Mies points out that the idea of a 'moral' economy is often misunderstood. 'Moral' should not be understood in the sense of 'moralistic' since the moral economic codex does not distinguish between 'good' and 'bad'. These norms, obligations and institutions are neither good, nor bad, but simply necessary: "The 'morality' of a moral economy was not based on any commandments or prohibitions of an earthly or extraterrestrial authority, but on a realistic recognition of ecological, social, and economic limits of a certain region, a territory and the communities that lived there."[175] Such a view of moral economies implies that the neoclassical separation between morality and interest is an ideological one, or at least that it cannot be generalized in the sense of an anthropological constant. The neoclassical view thinks of morally motivated economic behaviour as irrational because its term of rationality is narrowed down to the pursuit of 'personal interest' being equal to the maximization of money and commodities. However, in a society in which the moral economic codex of behaviour serves the survival of everybody, i.e. in which the foundation for survival is not only the single household, but the entire local economy, the constructed opposites between 'personal

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[174] Trenk, M. (1987): 416.
[175] Mies, M. (1994): 8.

interest' and 'morality' collapse. This is so because the survival of the entire society is also the precondition for the survival of the individual. Therefore, personal interest is identical with the moral economic codex of behaviour, and moral economic behaviour becomes highly rational.[176]

### *3.2. Further research questions*

The close analysis of the local and 'moral' economy of Eichelborn, as well as the controversy surrounding Polanyi's work point to a plenitude of further research questions that seem worth exploring. This would probably, on one hand, contribute to further insights about the functioning of the local economy, as it existed until the 1960's, thus increasing the level of examination beyond that of this thesis. On the other hand, a deeper inquiry into the larger question that motivated my research in the first place: -- How would a society/community need to be organized in order to present a viable alternative to the present economic/societal system? -- would seem to be necessary.

One question whose examination would definitely shed more light on both of the issue is the investigation of the factors that contributed to the persistence of the local economy. Several factors that likely played an important role seem apparent from my analysis of Eichelborn. First, Eichelborn was bestowed the rights of a free town very early, as mentioned before. The fact that it was common in Europe, in general, to give substantial protection to peasant agriculture in the post-World War II period, and that the German Nazi state strongly supported rural self-sufficiency may have also played an important role. A further contributing factor to the village's long autarky might have been that a great number of village inhabitants lost their lives in World War I and II and that a comparatively little

[176] Cp. Schultz, U. (1995), Popkin, S. (1979).

number of immigrants entered the area after World War II.[177] Another interesting fact with regards to the relatively long maintenance of Eichelborn's local economy is that it is located in a very rural area with no really large city in its vicinity. Investigation of the importance of each of these factors provide a basis for future research. The same is true for the following two complexes of research questions:

1.) What were the reasons for the transformation of the local economy into the market economy? What were the external (agricultural policies, modernization policies, modernization-oriented consulting by the regional or federal agricultural administration, price politics etc.) and internal influences (transformations on the level of social and economic behavior of the village inhabitants, changes in lifestyle etc.) on this process?

2.) Why did the regionalization movement 'A region re-considers' arise? What ideas is it based on? Is it based on principles of the former local economy (if yes, on which)? Has it been successful?

[177] See for comparison Ilien, A./ Jeggle, U. (1978).

# Appendix

***List of interview partners***

Listed are only the interview partners of the taped interviews. The persons of the numerous informal conversations are only mentioned in the text passages.
Since several of my interview partners explicitly expressed their wish to stay anonymous, I have decided to generally not mention their names in the context of this work.

**Farmers and farmers' wives:**

- Farmer A, born 1940
- Farmer D, born 1921
- Farmer E, born 1930
- Farmers' wife E, born 1932
- Farmer F, born 1945
- Farmer G, born 1952

**Craftsmen and businessmen:**

- Baker, born 1930
- Blacksmith, born 1930
- Building Contractor, born 1940
- Butcher/ Bricklayer, born 1948
- Cabinet Maker, born 1936
- Carpenter, born 1929
- Coach Builder/Wheelwright, born 1948
- Owner Grocery Store, born 1935
- Miller, born 1921
- Saddler/ Store Owner, born 1929
- Shepherd, born 1932
- Shoemaker/Shoe store owner, born 1939

- Shoemaker's wife, born 1943

- Tailor, born 1929

- female Master tailor, born 1912

**List of historical population figures of Eichelborn 1800-2000**

| Year | Number of inhabitants (men, women and children) |
|---|---|
| 1800 | 1643 |
| 1820 | 1780 |
| 1840 | 1876 |
| 1860 | 1998 |
| 1880 | 1965 |
| 1900 | 1877 |
| 1910 | 1965 |
| 1920 | 1897 |
| 1930 | 2002 |
| 1940 | 1941 |
| 1950 | 2056 |
| 1960 | 2261 |
| 1970 | 2178 |
| 1980 | 2227 |
| 1990 | 2332 |
| 2000 | 2385 |

Source: Registration Office Eichelborn and archive.

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