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Commodification Without Money

A Comment on: "The Meanings of Money: A Sociological Perspective" by Bruce G. Carruthers.

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Commodification Without Money

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In his article *The Meanings of Money: A Sociological Perspective*,[1] Professor Carruthers describes the textbook understanding of money and its implications. Money, he agrees, has a considerable influence over social relations, including a commodifying effect where the

> introduction of the cash-nexus depersonalizes human interactions and imposes the harsh and reductive logic of the marketplace on authentic preexisting social relations. Personal social relationships become anonymous economic transactions. In short, the introduction of money begets social change for the worse, flattening out the rich and solidary complexity of human social interaction.[2]

Still, Carruthers convincingly argues that money, its understandings and meanings within society are not one-dimensional:

> [M]oney-in-practice often looks different from money-in-theory (rather like the difference between law-in-action and law-on-the-books). Money-in-theory is perfectly homogeneous; money-in-practice is fraught with internal distinctions, and is carefully separated from sacred objects and certain social relations. . . . Sometimes the distinctions within money operate at a purely personal or household level, as when people apply labels to "dirty" vs. "clean" money, "old money" vs. "new money," "blood money," "mad money," "rainy day money," "pin money," and so on. But often the distinctions

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1 Bruce Carruthers, *The Meanings of Money: A Sociological Perspective*, 11 THEORETICAL INQUIRIES L. 51 (2010).

2 *Id.* at 54.

> operate at the level of organizational budgets and earmarking. In short, money-in-practice comes with many strings and labels attached.[3]

Thus, Carruthers argues, while the "introduction of money into economic relationships is consequential precisely because money offers a one-dimensional measure that facilitates comparison, evaluation, and transaction," to view money's effect as one-dimensional, namely that once brought into contact with preexisting social relationships and institutions it destroys them outright, or deeply weakens or transforms them in some fashion, would be wrong, as

> in many ways people conspire to limit that impact. Money doesn't turn the world upside down, nor does it dissolve the society into which it is introduced. In fact, social considerations shape the practical use of money. People attribute meaning and significance to money by undercutting (although not entirely undoing) modern money's fungibility and generality. People, both in and outside of organizations, categorize and distinguish money. . . . These monetary practices reflect a variety of social, psychological, political and organizational imperatives. Collectively, though, their effect is to temper fungible money and to undo *de facto* some of the powers that modern money has by virtue of its legal tender status.[4]

Put differently, money, according to Carruthers, is not necessarily commodifying. Even the brutal instrument of money has many nuances and subtexts that make using it more complex than what is traditionally assumed.

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Carruther's analysis enriches the discussion of money and commodification by complicating the implications of using money. In what follows, I take up the flipside of the "money equals commodification" equation and offer a more nuanced understanding of commodification, arguing that commodification can exist absent money. The classic commodification critique associates commodification with the introduction of money, or at least with the introduction of markets into relationships, blaming monetary evaluation ("price-tagging") for flattening human interaction. As Margaret Jane Radin has forcefully argued, treating certain attributes that are integral to one's

3 *Id.* at 72-73.
4 *Id.* at 73.

self (personhood) as items that can be monetized or, even worse, selling or otherwise exchanging them, is inconsistent with the established vision of personhood and human flourishing and thus should be curtailed. In Radin's words,

> [M]any kinds of particulars — one's politics, work, religion, family, love, sexuality, friendships, altruism, experiences, wisdom, moral commitments, character, and personal attributes [are] . . . integral to the self. To understand any of these as monetizable . . . is to do violence to our deepest understanding of what it is to be human.[5]

Yet, I argue that commodification or at least commodification-like results do not necessarily require the involvement of money. My claim is based on Elizabeth Anderson's understanding of the problems in commodification as facilitating unidimentional systems of evaluation which deprive people of the variety of choices available to them when operating in a multiple-spheres environment.[6] Thus, when market norms apply with respect to non-market goods, they violate the way we properly value these goods.[7] Understood abstractly, as crossing spheres (and thus undermining them), commodificatory concerns do not have to include money or even markets, as long as they limit our capacity to evaluate people, things, and relationships under multiple spheres. Thus, although the involvement of money can no doubt raise such commodification concerns (since the involvement of money indeed epitomizes the price-tagging, one-dimensional, reductive aspects of commodification), commodification does not necessarily require money or even market logic. Quite the contrary, some of the core aspects of commodification can be found even where money is absent. To demonstrate this claim, I focus on one particular regime — governmental

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5 Margaret J. Radin, *Market Inalienability*, 100 HARV. L. REV. 1849, 1905-06 (1986).

6 In her words, "If different spheres of social life, such as the market, the family and the state, are structured by norms that express fundamentally different ways of valuing people and things, then there can be some ways we ought to value people and things that can't be expressed through market norms." ELIZABETH ANDERSON, VALUE IN ETHICS AND ECONOMICS, at xiii (1993).

7 *See id.* at 217-18:

> When value is represented as the object of just one generic response, such as desire or pleasure, we don't bother to consider whether the ways we produce and exchange goods adequately express the other ways we properly value them or one another. When rational choice is represented in terms of the maximization of value or preference satisfaction . . . we are tempted to think that the optimizing behavior of consumers in the marketplace sets the standards of rationality for all social life.

regulation — and argue that the most troubling aspects of commodification — those that involve crossing between incommensurable spheres — can also obtain by introducing governmental regulation into personal spheres.

The category of commodification-like effects of regulation obviously includes cases where regulation entails price-tagging (as, for example, when we tax in-kind transactions), or where money's influence can be detected in the background and thus money can indirectly be blamed for the commodificatory results. However, it also includes cases of regulation which do not involve price-tagging.

The reason for the similar maladies of markets and regulation, in terms of their effect on people's personhood, is that at a fundamental level, bureaucratic involvement and monetization share similar features. Specifically, it is the application of an extensive, sweeping, overreaching system that translates life into a single (and commensurable) currency that has a reductive effect on the attributes and interactions it touches. In what follows, I elaborate on this common feature of the market and regulatory mechanisms and demonstrate some of the elements that make them reductive.

The one-dimensional characteristic of the market is indeed what makes it reductive for many acts and attributes. At the same time, it is precisely the source of its power. The one- dimensional scale of valuation that the market imposes on differing human interactions — price — is exactly, as Carruthers aptly put it, what facilitates comparison, evaluation, and transaction *and* what makes it problematic for many interactions. Anderson has eloquently explained the problematic aspect in viewing certain different "goods" — which differ not only in how much we should value them, but also, indeed more significantly, in how we should value them — as commensurable.[8] Because people value different goods in different ways in different contexts, their freedom, maintains Anderson, requires *multiple sphere differentiation*.[9] When market norms apply with respect to non-market goods, they fail to adequately express (and thus undermine) the other ways we properly value them or one another.[10] Regulation very often involves a very similar breakdown of barriers between spheres of valuation — hence my claimed symmetry between regulation and the market.

Many areas of governmental regulation — taxation, welfare benefits, healthcare regulation, as well as family law and immigration policies —

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8 *Id.* at xiii.
9 *Id.*
10 *Id.* at 217-18.

make the government a prominent participant in our personal and daily affairs, giving it an interest and a role in our acts and attributes. Like market participation, government involvement changes the nature of the things it touches on. Government involvement often subjects relationships, attributes, beliefs, and information to piercing bureaucratic scrutiny only in order to translate them into a regulatory language typified by its uniform guidelines. The effect of such bureaucratic scrutiny in many ways resembles the cases where money (or the market) is involved.

Like the market, government regulation can give rise to two different types of reductive or flattening quandaries: The first focuses on their effect on the nature of the resource, the second on their effect on the interaction. In the market realm, commodification of the resource means treating certain attributes as tradable items. Commodification of the interaction occurs when certain interactions entail (or are portrayed as entailing) a quid-pro-quo, most commonly (but not necessarily) in cash.[11] The existence of a quid-pro-quo relationship can certainly commodify the resource if cash is involved; but even in the absence of cash, it can commodify the interaction rather than the resources being exchanged. Think for example of mutual gifts. The items being exchanged as gifts may indeed be market items (and we may not mind their commodification), but if we consider the interaction to be a quid-pro-quo "transaction" we undermine the relationship.

Similar quandaries exist in the regulatory regime: Regulation often treats certain attributes as "items" of some kind of bureaucratic spreadsheet, *and* it can portray certain interactions as involving (or allowing) a quid-pro-quo relationship. Both kinds of treatment may bother us for similar reasons to those mentioned above. Putting attributes and relationships on a single scale of valuation makes them commensurable. In that, it mixes up different spheres and abandons alternative scales of valuation. Classic commodification mixes market and non-market spheres, substituting other scales of valuation for the monetary scale. Regulation often substitutes the variety of private spheres with the one official, public, institutionalized and often uniform sphere. Regulation may affect the interaction as well — when the official portrayal of an interaction allows or assumes a one-size-fits-all reading of an interaction it significantly alters our reading of it, portraying it as what it is not.

The question how significant an effect regulation might have over the

11 Radin, *supra* note 5, at 3: "Characterizing certain relationships as transactions can corrupt the relationships. Treating an exchange of gifts, for example as a quid-pro-quo transaction undermines the nature of the relationship."

meaning of things depends on how significant (in terms of level and extent) the effect of regulation (or money) is. If Carruthers is correct in his assumption regarding the different meanings of money where it affects life, then certainly a similar argument can be made in the case of regulation. In some circumstances, regulation has only a very limited and localized effect, and the reductive meanings provided by regulation can be, and are, fenced by individuals without infiltrating other realms of their lives. But — again, just as with money — some regulatory schemes may significantly affect the meanings of things or attributes and interactions for people and generate similar flattening consequences.

Indeed, as with the market, when the state bureaucracy becomes a partner in certain aspects of our lives, the areas affected may no longer be part of the same intimate, personal, and private sphere necessary for people to fully express the plurality of values that comprise their personhood. Instead, what we are left with is their public, formal, compartmentalized reflection in the public eye. This reflection is fundamentally different from the object it mirrors. It is not necessarily worse. The public embracing of certain personal attributes can be empowering (e.g., ascribing value to care-giving), but, at the same time, it can alienate attributes that tend to thrive outside the public spotlight.

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To demonstrate this, I use two typical, and related, ways in which the bureaucratic involvement of the government has similar reductive effects to those created by the market regarding both attributes and interactions: itemization and reporting, and classification.[12]

Itemization and Reporting. The very requirement to itemize and report certain acts and attributes may entail a commodifying effect. Thus, for example, if we require people to itemize and report their daily routines, in order to tax the value of self-provided services, or if we require two individuals to list the things that make them "a couple," in an attempt to assess whether or not their marriage is a sham for immigration purposes, such itemization, keeping track in itself, even without reporting it to any authority may change the nature of things. When acts and attributes are itemized they no longer are the personal, daily, perhaps even mundane

12 These are by no means the only ways in which bureaucracy tends to commodify. Consider, for example, how the allocation of bureaucratic resources (e.g., efforts of enforcement) signals the significance of things relative to one another.

routine of our lives, but rather become "items" of self-provided services or "proof" of a genuine long-term relationship. The list highlights their common traits (that is: the list- related traits) and makes them comparable on that basis.

Itemization puts certain attributes on a par with each other based on a single scale of valuation. Such scale may be their rating, the time invested in them, their height, weight or age. Focusing on such single scale of valuation may shift us away from valuing things on a different scale. At the same time, the list not only pushes to the background non-list qualities of the items being listed, but also belittles non-listed items. Thus, for example, listing the time being devoted to an activity may disregard the intensity, talent or care invested in such activity. What's more, it discards the option not to evaluate at all, or to deliberately remain undecided on the relevant sphere of evaluation. The invasiveness of regulatory itemization may limit other spontaneous modes of social valuation that exist in the absence of regulation. When regulation requires that we list (and perhaps even look for) attributes that are supporting or consisting a specific regulatory category (e.g., items that make us "a couple") we become aware of (and thus tend to compare) the list-related dimension of the attribute or activity being itemized and tend to compare them along this scale. Moreover, itemization simultaneously makes too much of the things being itemized and belittles them: treating them as "events" or as some kind of "proof" inflates their modest nature; enumerating them as items on a spreadsheet belittles their true multifaceted meaning for people — it evaluates them based on one dimension only.

Itemization and reporting can also alter the nature of an interaction. Think, for example, of an amicable or a family relationship. True, throughout such a relationship gifts are often exchanged and services mutually provided. The relationship between family members certainly entails economic costs and benefits, yet requiring itemization and reporting of the mutually provided services highlights their respective levels (who gave what and how much to whom) and thus encourages comparisons and bookkeeping. While, reciprocity may exist in such relationships even absent such itemization, the very fact that the reciprocity is long-term (that is, no immediate return is expected), rough (has to be equal in considerateness but not necessarily in economic value), and self-enforced (entirely contingent on the good will of the future grantor), inherently distinguishes it from market transactions. Such long-term, rough, and self-enforced reciprocity signals, perhaps even constitutes, such intimate relationship. Regulation can sometimes deprive such a relationship of these unique features; but in other cases it can also sustain (maybe even reinforce) them. Take marital property rules, for example. Regulation can assume that the rights of spouses in the marital property are the result of their contribution (thus promoting a quid-pro-quo perception of the interaction); but it can also insist that they are simply founded on their status as a couple (and thus reinforce their unique features).[13]

Or, to take another regulatory dilemma: should we treat services provided within the family as "barters" and thus impose taxes on them, or should we perhaps treat them as non- market (and hence nontaxable) interactions? Taxing the "transaction" means interpreting it as a self-interested, calculated act of investment, rather than a thoughtful act of assistance. Indeed, treating the services as a quid-pro-quo portrays them as what they are not. The itemization of such gifts exchanged and services mutually provided in an amicable relationship tints their provision (and reception) with a sense that they were provided so that they count for something (i.e. being included in such list). To use Anderson's words,

> The goods exchanged and jointly realized in friendship are not merely used but cherished and appreciated for they are expressions of shared understandings, affections, and commitments. The goods proper to the personal sphere can be fully realized only through gift exchange. They cannot be procured by paying others to produce them, because the worth of these goods depends upon the motives people have in providing them. Among these goods are trust, loyalty, sympathy, affection and companionship.[14]

Reporting requirements may further exacerbate the undermining effect of regulation. Certain attributes, sources of fulfillment, and relationships are components of one's self are not things that one should be forced to share with the public. Once disclosed, they cease to be intimate, private, personal attributes. Public scrutiny and the official recognition it entails tend to erode their uniqueness. Such scrutiny cuts down the boundaries between spheres that should be left separate: the public and the private realm.

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Classification. Another typical feature of regulation is classification. Bureaucracy, almost by its nature, classifies people, attributes, and relationships into categories, patterns and forms. Classification in itself

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13 *See, e.g.*, Carolyne J. Frantz & Hanoch Dagan, *Properties of Marriage*, 104 COLUM. L. REV. 75 (2004).

14 ANDERSON, *supra* note 6, at 151.

(especially, but not exclusively legal classification) transforms the way in which we think about relationships (think about the different meaning we attribute to "a couple" versus an officially married couple) and about attributes (living and working in L.A. versus being an illegal alien). Classification of attributes and of interactions can alter their nature. When various types of attributes or behaviors are classified under the same rubric, they are perceived as commensurable. Incarceration periods are a typical example of where different behaviors, in various context and circumstances are classified as "worth" a given time in prison. Tax law is (again) another particularly good example: Under tax law, once an act is classified as subject to tax, it is transformed into a "transaction" of economic consequences. Institutions that are subject to income tax are, by definition, involved in income-producing activities. Am I caring for my children or am I "providing my family with childcare services"? Do we roll up our sleeves to lend a helping hand when we volunteer or are we actually "providing services" for virtual pay and making a "charitable contribution"?

Like itemization, classification too limits people's choice to avoid accounting for their activities. Part of the moral significance of enjoying multiple spheres of valuation is being able to discard the need to select any such sphere or operate in a deliberately ambiguous fashion in more than one sphere. People should be free to *not* define certain actions as constituting any given institution. This is particularly true of mundane, everyday acts and attributes, since there is something more disturbing about subjecting the smaller things in life to such classification: Big decisions entail considerable deliberation. People pause and mull over these decisions regardless of their regulatory implications. Sometimes it is their bureaucratic classification that provides them with desirable meaning (getting married, becoming a citizen). But part of the charm of mundane rituals is their ordinary, nonspecific nature.

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Carruthers' account offers intriguing ways to enrich the meanings of money in the "money equals commodification" equation. I have offered some ways to abstract and expand our understanding of commodification to non-market regimes. One can think of additional ways to enhance the discussion of commodification: we can think, for instance, of cases where spheres are crossed by not using money where it is appropriate (think, for example, of an employee that does not get paid for being extraordinarily creative), We can delve into the question of how meaning is provided: Does regulation really change the meaning we attribute to things it touches upon? Or does it only provide an additional layer of meaning that people use for the sake of regulation, but not for other areas of life? Is there a special problem with the invasiveness of regulation? Should we allow society to develop even the scales of valuation in a spontaneous way? Or perhaps the imposition of a scale of valuation is not a problem in itself, unless it infiltrates other realms of our lives and flattens them? These questions, however, are beyond the scope of this short Comment.