

Ivan Illich: Theories of Poverty And The Politics of Agency

Lakshman Yapa

Introduction

I have been reading, researching, and teaching topics on poverty and development for nearly forty years of my life. A thought that has stayed with me constantly throughout that time was one expressed by Ivan Illich in *Celebration of Awareness* (1970), that underdevelopment is a state of mind, a state that occurs when basic needs are converted to the demand for manufactured goods, in his words, when “thirst has been transformed into the need for a Coke.” Illich examined that idea in many different fields—schooling, health, transport and energy—and showed us that development cannot eradicate poverty because development is in fact the causative agent of modern poverty.

Development is, of course, all about economic growth. Economic growth which is accomplished through the increasing incorporation of households into the capitalist exchange economy through wage work and purchase of consumer commodities, a process engineered by, and done with, the full sanction of the discipline of economics. At its simplest the science of economics says that physical resources—land, labor, and capital, etc—are limited, but the human demand for these resources is unlimited. Scarcity, then, is a constant universal condition akin to something natural like gravity. However, scarcity, in the strict economic sense does not refer to an absolute lack of things, but rather the relative scarcity experienced when, at a given price, the demand for a commodity exceeds its supply. In a system of limited resources and unlimited wants this is believed to be a NORMAL condition. Drawing on the writings of Illich, I wish to show that scarcity is neither natural nor “normal,” but is in fact discursively and socially constructed.

In 1953 Robert Heilbroner, an American economist, published a book titled, *The Worldly Philosophers: The Lives, Times and Ideas of the Great Economic Thinkers*. The book has gone through seven editions and sold over four million copies. He wrote on the contributions of a range of important economic thinkers, beginning with Adam Smith, and then Karl Marx, Thomas Malthus, David Ricardo, John Maynard Keynes, and Thorstein Veblen, among others. I find the absence of Ivan Illich in the book notable but perhaps understandable. All the worldly philosophers that Heilbroner writes about are economists, and hence are philosophers of

exchange value, even Marx. Illich, though toiling outside the framework of exchange value, is the pre-eminent philosopher of use value.

Over the years I have used Illich's writings in my undergraduate classes on poverty and development, and also in a Penn State community outreach course I conducted for 10 years in an inner city neighborhood of West Philadelphia. Teaching Illich to undergraduates is not always easy. As profound and insightful as Illich was, students sometimes find it difficult to follow his language, and growing up as they do in a world of Facebook, Twitter, and iPhones, they do not easily relate to concepts that appear in books such as *Shadow Work* (Illich, 1981), for example, "subsistence and the vernacular." When teaching poverty and development to undergraduates I do not regard myself as simply providing instruction in an academic discipline; rather I see my role as helping young people become more concerned citizens with a lens with which to critique the world, while cultivating a sense of effective agency for engaging that world. It is important that my pedagogy begin with an understanding of where my students are at intellectually and culturally—I do my best to find out what they know and what they read and make that knowledge an integral part of how I teach. In that regard, Illich posed a special challenge to me.

Someone once described Illich to be a like a crow that sits on a perch, turns its head this way and now that way, with nothing escaping the sharp eye. My own bird analogy to Illich is that he is a like a soaring eagle that surveys the entire landscape from high, sees all mountains and the shadows they cast on the plains, and yet can detect a small rodent hidden from view simply from the movement of the grass in the meadow far below. Illich's description of the economy and culture is very radical and sometimes difficult precisely because he sees things that others can only vaguely sense. Aware of the big picture, yet he was able to see the smallest details and place them in their larger historical, economic and cultural context. The language he employs to describe what he sees is equally novel. A reviewer once wrote, "Illich's style is difficult. He uses exotic language, confusing in phraseology and sentence structure." (Killeen, 1976, p. 69). I consider teaching Illich to undergraduates important even if I am reluctant to use the language he himself used. Illich is an invaluable resource to deconstruct discourses through which the American citizenry has been constructed – The American dream, the middle class, professional success, charitable giving, and so on. The language and techniques I have used in this paper are part of my effort to make Illich accessible to undergraduates, to develop a contemporary critique of capitalist development, and to contribute to a politics of agency.

Poverty as Opportunity Cost of Development

The last half-century has been called the age of development. Some have predicted its imminent end (Sachs, 1992, p. 1), yet the triumph of market economics and the relentless march of the forces of globalization show that development is alive and well, and will remain so for a very long time to come. Even as it was becoming abundantly clear that 60 years of poverty eradication in both the US and the world—led, of course, by the World Bank and the IMF— had failed, the clamor was still for more of the same: economic growth and development.

The mass appeal of development comes from its seeming commonsense and normalizing logic. Consider the following sequence of propositions: People are poor because they do not have enough money to buy the things they need (commonsense). This can be corrected through education, training, creation of jobs, and raising incomes (commonsense). On the supply side production should be expanded by modernization, increased investment, and where necessary, obtaining technical and financial aid from rich countries (more commonsense). Little wonder that development has such universal appeal and that there is such little disagreement among theorists—whether of capitalism, socialism, nationalism, or sustainable development—on the need for economic development.

In such a world to say that development in fact *causes* poverty sounds counterintuitive, and yet that is exactly what Illich claimed so presciently over forty years ago. In *Tools for Conviviality* (1970, p.163) he wrote, “Each car which Brazil puts on the road denies fifty people good transportation by bus. Each merchandised refrigerator reduces the chance of building a community freezer. Each dollar spent in Latin America on doctors and hospitals costs a hundred lives Had each dollar been spent on providing safe drinking water, a hundred lives could have been saved.”

In economics an opportunity cost is the cost incurred when one makes a choice between several mutually exclusive alternatives. The costs of producing guns is not only its explicit price, (the cost of production), but also the implicit price of what could not be produced, say butter. The value of that butter would be the opportunity cost of allocating resources to producing guns.¹

¹ Opportunity costs should not be evaluated entirely in terms of “accounting prices” because the choices made are first of all a qualitative idea before it becomes a quantitative matter of accounting prices. Also decisions about how factors of production are allocated are not just about microeconomic rationality, they occur within a complex political economy of power and influence.

What Illich realized in *Tools for Conviviality* is that there is an opportunity cost to economic development. He refused to be taken in by the promise of material abundance. He alone was able to see clearly that industrial productivity contained within it the seeds of material scarcity. That in fact, development cannot eradicate poverty because development is deeply implicated in the *creation* of poverty. Poverty is the opportunity cost of development.

Illich's strong anti-development views became widely known through a set of four books published in the 1970s: *Deschooling Society* (1971), *Tools for Conviviality* (1973), *Energy and Equity* (1974), and *Medical Nemesis* (1976). *Tools* is the most general statement of Illich's ideas while the other three volumes expand on examples critiquing education, energy consumption, and modern medical treatment. Two subsequent books—*Toward a History of Needs* (1978) and *Shadow Work* (1981)—continued the critique of economists and their view of scarcity.

With these books Illich gave us, among other gifts, a new way to talk about poverty: poverty in an economy can be measured by the extent of the *underproduction* of basic use values. Basic use values, or basic needs as I call them, would include affordable nutrition, public health and public transport, etc.

In 1970 these were brave ideas to proclaim as Third World leaders and their theoreticians, both capitalist and socialist, were arguing about which model would yield the quickest path to development. In fact, it was the socialist Nehru who once proclaimed that high dams were the temples of modern India. During the 1970s and 1980s critical thinking on development was primarily inspired by neo-Marxist theory (Frank, 1979, Wallerstein, 1979).

However, in the 1990s there began a more radical sweeping critique which rejected the very idea of development, and not just 'capitalist' development. Among these were: a collection of essays titled, *The Development Dictionary: A Guide to Knowledge as Power* (Sachs, 1992), another collection titled, *The Post-Development Reader* (Rahnema, 1997), and several special issues of the British journal, "The Ecologist." The ideas expounded by this growing band of critics were founded on the pioneering arguments put forth by Illich in *Tools for Conviviality* (1973). The critiques of the 1990s drew on reports detailing incontrovertible empirical evidence—failed development projects throughout the Third World, the social and ecological consequences of high dams, destruction of rural livelihoods and the cancerous growth of Third

World cities, the violence of the Green Revolution, tropical deforestation, desertification, the mounting Third World debt, and so on.

And yet Illich had opposed development decades before the material evidence of the destruction had become apparent. He not only saw that the opportunity cost of development was poverty (created through the process of manufactured scarcity of basic goods such as lack of safe drinking water and adequate nutrition, what I later call basic needs), but also provided the answer to the paradox of “poverty amidst plenty” that had baffled economists and philosophers for so long.

By the end of the 16th Century the English enclosure movement was in full swing. Peasants were separated from their means of subsistence when the commons were privatized by the English nobility and turned into grazing pastures to serve the highly profitable wool industry. This was the birth of the poor lower classes that attracted the attention of Malthus in 1798 in his *Essay on the Principle of Population*. Eventually the landless working class found employment as industrial labor even though the factory conditions in 1844 that Engels described in *The Condition of the Working Class in England* were deplorable.

Globally, the enclosure of the commons was carried out by the Spanish, Portuguese, British, French, Dutch, and Belgian colonial powers in South America, Africa, and Asia, separating the indigenous population from autonomous production to satisfy their everyday needs. However, unlike England itself, the colonies did not industrialize to absorb the surplus labor nor did they have the option of exporting their surplus population. Instead “economies” were created which existed solely for export to the colonial power, often one or two commodities. Even after political independence, the former colonies still depended almost entirely on export commodities, and the economic system developed under colonialism continued to dominate through deeply established patterns of international trade.

The result was the underproduction of everyday basic use values, a pattern which has continued to this day through multinational investment and prevailing neo-liberal economic policies. This is what Illich so clearly saw in the 1970s when he wrote *Tools*. He anticipated decades earlier the argument that development does not alleviate scarcity, but in fact is instrumental in its creation, a process that I call the social construction of scarcity, and which I will explore in the next section.

Social Construction of Scarcity

In 1932, Lionel Robbins wrote in his *An Essay on the Nature and Significance of Economic Science*, “We have been turned out of Paradise. We have neither eternal life nor unlimited means of gratification. Everywhere we turn, if we choose one thing we must relinquish others which, in different circumstances, we would not wish to have relinquished. Scarcity of means to satisfy given ends is an almost ubiquitous condition of human behavior. Here, then, is the unity of the subject of Economic Science, the forms assumed by human behavior in disposing of scarce means.” (Robbins, 1945, p. 15)

This is the fundamental assumption of the science of economics, yet there are two striking omissions in this conceptualization. Firstly, scarcity comes not from the finitude of resources inherent in nature, but rather, because at a given price the demand for a commodity exceeds supply. Scarcity is not resident in nature, it is a social relation defined between demand and supply at a given price. Second, in claiming that resources have multiple uses economists somehow fail to mention that there are also multiple ways to satisfy a given end. This omission is crucial and one which was important to Illich’s understanding of how scarcity is socially constructed.

To proceed, imagine a commodity that has a range of use values and one of these use values is primary; we shall call that the end-use value. For example, the end-use value of an automobile may be the “commute to work” and the end-use value of a bowl of beans might be the ingestion of proteins in the beans. In the case of the automobile it is useful to pose the question: What are all the alternative and complementary ways of meeting the end-use of getting to work?

Such a list of course includes driving, but also includes a multiplicity of options: car-pooling, public transit, cycling, walking, moving closer to work, or telecommuting. The history of transport in the US shows clearly how many of these alternatives were never made available and some alternatives that did exist were de-developed.²

The net effect of removing alternative means of getting to work is to increase the demand for automobiles. There is nothing “natural” in this increase in demand for automobiles; it is

² Beginning in the 1920s and continuing for three decades, General Motors with the help of Standard Oil, and Firestone Tires undermined the rail-based public transit systems in the urban areas of the US, in order to promote the demand for automobiles, a story now often told under the title, “The Great American Street Car Scandal.”

socially constructed. Another implication is that when the demand for automobiles increases, it comes at the expense of our other options-- public transport, and bicycles, just to name two, will be less available, and less resources will be allocated to their use and development (recall the point about opportunity cost). That process too increases scarcity for these basic use values. Again this scarcity is not a “normal” condition of nature; it is socially constructed. The argument here is that the exchange economy underproduces basic use values and expends resources in the production of high-value added commodities. As Illich writes in *Tools*, (1973, p. 15) the present world of industrial production, “is divided into those who do not have enough and those who have more than enough, those who are pushed off the road by cars and those who drive them.”

Although in *Tools* he used a different terminology than I use in this paper, Illich identified a variety of ways in which scarcity is socially constructed, and proposed the concept of multiple balance which can serve as a framework for a program of convivial tools. (1973, pp. 46-83) First was his idea of a “radical monopoly” by which he meant, “a kind of dominance by one product that goes far beyond what the concept of monopoly usually implies. Generally we mean by “monopoly” the exclusive control by one corporation over the means of producing (or selling) a commodity or service. . . . Monopolies of this kind restrict the choices open to the consumer. . . . By “radical monopoly” I mean the dominance of one type of product rather than the dominance of one brand. I speak about radical monopoly when one industrial production process exercises an exclusive control over the satisfaction of a pressing need, and excludes nonindustrial activities from competition.” (1973, pp. 51-52) The automobile, which can shape space in a city to meet its own needs ruling out movement by public transportation or foot or by bicycle, as illustrated above, is one such example of a radical monopoly.

Another element of the multiple balances was “biological degradation.” At the time of his writing, the role of overpopulation, excessive affluence, and faulty technology in threatening the environment was well known. While recognizing the need to limit procreation, consumption, and waste, he argued that it was important to radically reduce society’s expectations for what machines will do for us. A third element of his theory of multiple balances is “overprogramming.” Balanced learning depends on the ratio of two kinds of knowledge. One is the result of people spontaneously interacting with each other and with their environment, the most obvious example being learning your native language. The second knowledge by contrast involves formal training, schooling, training manuals, experts, and much capital. In industrial

societies the balance between these two types of knowledge has drastically shifted towards the latter thus reducing the autonomous capacity of individuals to attend to their needs.

Overprogramming develops a certain consciousness and prevents the population from getting an accurate assessment of things such as radical monopoly.

A fourth element of multiple balances is “social polarization” in industrial society. Non-convivial tools push societies to grow in numbers and in affluence. The underprivileged grow in number, while the already privileged grow in affluence, and power gets polarized. Illich writes, “Significant benefits for the poor demand a reduction in the resources used by the rich, while significant benefits for the rich make murderous demands on the resources of the poor. Yet the rich pretend that by exploiting the poor nations they will become rich enough to create a hyperindustrial abundance for all. The elites of poor countries share this fantasy.” (1973, p. 68)

Illich notes that social polarization has far reaching consequences for the demands and needs of women, blacks, and other minorities. At best, these groups succeed in getting some of their members through school and into well-paying jobs. “They claim victory when they get equal pay for equal rank. Paradoxically, these movements strengthen the idea that unequal graded work is necessary and that high-rise hierarchies are necessary to produce what an egalitarian society needs. . . . It does not matter for what specific purpose minorities now organize if they seek an equal share in consumption, an equal place on the pyramid of production, or equal nominal power in the government of ungovernable tools. As long as a minority acts to increase its share within a growth-oriented society, the final result will be a keener sense of inferiority for most of its members” (1973, pp. 71-72). This is a very radical argument which states that the present demands for equality has the net effect of producing permanent inequality.

The fifth element of planned balance is “obsolescence” that produces devaluation, “which is the result not of a certain general rate of change but of change in those products which exercise a radical monopoly” (1973, pp. 73). Products cannot be improved without retooling huge capital-intensive machines. To make this profitable huge markets must be created for new products. Hence the functional need for obsolescence. In such a society limits on the rate of change are viewed as a threat.

Illich has shown that scarcity comes into being from within the process of industrial production, and there is no known way to eliminate scarcity by simply producing more. Production induced biological degradation contributes to scarcity by destroying conditions of

production as seen for example, in soil erosion, water pollution, and pesticide contamination. Radical monopoly occurs when an industrial product becomes the only means by which certain needs can be met, thus creating a huge demand for that particular product. As Illich has repeatedly pointed out the great demand for automobiles arose out of the destruction of the alternative means of locomotion such as walking and bicycling. Moreover, the radical monopoly of automobiles restructures space to meet its own needs, thus creating an even greater demand for cars. Programming refers to the altering of people's values so that they are consistent with the needs of an industrial economy. As Illich has shown, there are many mechanisms for programming including the inculcation of values in schools. Advertising plays a key role in the programming of consumers to "need" the goods manufactured by industrial productivity. Polarization is an inevitable consequence of the fact that the economy has only a limited number of high wage jobs, and therefore, not all people have enough money to consume the high-valued goods they desire. In a polarized society, by a strange twist of irony, legitimate demands for equality—good jobs and good pay—contribute directly to the creation of scarcity. The economy by its very hierarchical structure cannot produce enough high wage jobs for the mass of people. But instead of demanding changes in the structure of the economy, the powerful equality discourse has socialized us to demand an increase in consumption which only serves to fuel the treadmill, reproduce inequality, and fan the fires of unattainable hope. Finally, there is planned obsolescence whose very purpose is to create demand for new or improved products.

It is abundantly clear that the five elements of balance that Illich speaks of are present in all modern economies. One does not need an advanced degree in economics to see how they create increased demands for particular goods, while eliminating less resource-intensive ways of meeting basic use values. That is why poverty persists in the richest economies, and that is also why poverty in poor countries cannot be alleviated by opting for more growth and development.

3. Subjugation of Use Value by Exchange Value

There are two ways to view poverty. The universally accepted view of poverty is that household can be defined as poor when it lacks the income to purchase a basic market basket of use values. This is how the US Census Bureau defines poverty in the US and this is also how the World Bank measures poverty in the poor countries. Saul Alinsky, a famous community activist

from Chicago in the 1960s, is supposed to have once said that the matter of poverty is easy to understand, “you are poor when you do not have money.”

Alternatively we could say: a household is poor when it lacks physical access to a basic basket of use values such as adequate food, good health, housing, energy, and transport. Although these two views of poverty sound similar, they are in fact not, and lead to radically different conclusions and approaches. The choice to begin with, lack of income or a physical lack of basic use values (basic needs), leads you to two diametrically opposed views, two very different theories, and two very different prescriptive measures and understandings of agency. The idea that people are poor because they do not have enough money is an example of what Foucault (1979, pp. 177-184) would have called a normalization discourse which refers to a manner of speaking in which a particular state of affairs appears normal to us. Poverty as not having enough income is not a self-evident truth; it is a way in which powerful discourses make it appear normal to speak about the poor that way. This normalization has come at a very steep cost, borne primarily by poor people themselves.

In 2012 the size of the US health economy was 2.7 trillion dollars and yet all that money seemed incapable of producing the most basic of all use values, namely, healthy American bodies. The Center for Disease Control speaks of an epidemic of obesity and Type II diabetes and a rise in the rates of incidence in cardiac disorder, hypertension, and chronic pain. This is a clear example of the “underproduction of basic values,” a phenomenon which is seen in nearly all other sectors of the economy—food, housing, transport, and energy—and which Illich would have certainly recognized as familiar.

Marx opened his *Capital* with a chapter on the nature of commodities. There he explains that a commodity carries two kinds of value: a use value and an exchange value. Use value refers to the utility derived from the consumption of a commodity and exchange value refers to the price paid to purchase a commodity. Use value refers to a quality and exchange value refers to a quantity.

According to Marx the simplest form of exchange is C-M-C, the transformation of commodities (C) into money (M) wherein that money is used to buy another commodity (C). This is the circuit of use value—the purpose of exchange is to obtain a good that is consumed and the circuit ends with the act of consumption.

The other form of value is the circuit of exchange denoted by M-C-M' where money (M) is transformed into a commodity (C) that is then sold for a larger amount of money (M') where the goal is to increase profit, i.e. $M' > M$. A capitalist will use money to buy commodities such as raw materials, machines, and labor to manufacture a finished commodity which is then sold for a profit. The motivation for this production is not just profit but the reinvestment of the profit in further expansion of money or capital. This in fact may provide a minimal definition of capitalism where the object of production is the expansion of capital; Marx used (M-C-M') as a general formula for the expansion of capital.

Marx's two circuits of value give us a useful way to revisit what I called earlier the two views of poverty. From the perspective of use value, poverty can be seen as a household's physical lack of access to adequate food, good health, housing, energy, and transport. From the perspective of exchange value, poverty can be defined as not having enough money to purchase a basic market basket of use values. As I have noted, the second definition is the universally accepted view of poverty

When a household is declared poor because it does not have sufficient income for a basic basket of goods we accomplish two powerful transformations. First, basic use values automatically transform into commodities to be purchased in the market place. Second, the household needs to be employed by the economy for it to have income to buy commodities. The net effect of the US Census and The World Bank's definitions of poverty is to normalize the incorporation of the household firmly into the circuit of exchange value (where poverty is primarily defined as the lack of *purchasing power*). With that seemingly inconsequential definition we have accomplished a sea change—we have moved the household from the circuit of use value to the circuit of exchange value. This is what Marx would have described as a classic case of commodity fetishism – first workers sell their labor on the market as commodity and second they buy all their basic use values from the market as commodities.³

³ When Marx developed his ideas on commodity fetishism in the first chapter of *Capital* he meant a lot more than what I have described here in the shift of the household from the circuit of use value to the circuit of exchange value. Marx talked about something far more profound, namely, the perception of social relationships among humans as a relationship of one commodity to another, measured by its money value.

The shift of the household from the circuit of use value to that of exchange value has enormous consequences for the fate of the poor.⁴ We have turned away from the question “Why does the economy so systematically underproduce basic use values?” to one where we ask, “Why do poor people not have enough money to buy basic use values?” We have moved from the direct interrogation of economic rationality to one where that inquiry is now deeply buried under several discursive layers of mystification and obfuscation. In answer to the question of why poor people do not have enough money we have generated a vast discourse that has invoked a raft of explanatory variables—racial and gender discrimination, overpopulation, lack of natural resources, lack of investment capital, lack of education, the persistence of a culture of poverty, welfare dependence, and a modern form of geographic determinism explaining poverty as a matter of wrong latitude and being landlocked.⁵ In my view addressing poverty is actually a lot easier than solving the problems of racial discrimination because race puts us into realm of people’s innermost thoughts over which outsiders have little agency. By invoking enormous metanarratives of race, class, gender, resources, and geographic location we have transformed poverty into a hopeless and endless Sisyphusian task of constantly moving boulders uphill, and thus robbed ourselves of agency. Because we fail to see poverty as a matter of the subjugation of use values we insist that the solution to poverty is the further expansion of the circuit of exchange value as evidenced by the neo-liberal economic policies of the World Bank, The IMF, and WTO and the American discourse of creating jobs and expanding the middle class. And finally our total embrace of the logic of exchange value has prevented us from exploring the myriad ways in which it is indeed possible for poor households to gain access to basic values far more directly.

Once a household is defined as poor using an income threshold it entered the dizzying world of exchange, and is subjected to the entire force of exchange value whose circuits have now assumed global proportions.

4. Shadow work and the Two Meanings of Commodity

⁴ I am only too aware that military hardware and luxury items of consumption are also use values and that is why I couched this discussion of poverty in the language of BASIC use values.

⁵ See Danziger and Haveman (2001), Iceland (2006), and Sachs, Mellinger, and Gallup (2001); Murray (1984).

In 1981, Illich published his thoughts on the informal sector of the economy. Drawing on what researchers in the sixties had begun to call “the reproductive economy,” Illich offered a bold new analysis under the title *Shadow Work*. (1981) In the past the household had created most of what it needed to exist. But Illich’s interest is:

“... in that entirely different form of unpaid work which an industrial society demands as a necessary complement to the production of goods and services. This kind of unpaid servitude does not contribute to subsistence. Quite the contrary, equally with wage-labor, it ravages subsistence. I call this complement to wage labor "shadow-work". It comprises most housework women do in their homes and apartments, the activities connected with shopping, most of the homework of students cramming for exams, the toil expended commuting to and from the job. It includes the stress of forced consumption, the tedious and regimented surrender to therapists, compliance with bureaucrats, the preparation for work to which one is compelled, and many of the activities usually labeled "family life" (1981, p. 100).

According to Illich the family is the site through which these two complementary forms of industrial labor are fused. He maintains that shadow work is not about subsistence, it is simply unpaid work in the service of industrial labor. In his labor theory of value Marx had argued that capital accumulation came from unpaid wages of industrial labor which he called surplus value. Following Illich, if we add the subsidy which capital receives from unpaid shadow work, then the surplus value appropriated by capitalist is much larger than what Marx ever imagined.

To describe subsistence oriented activities in contrast to those of the formal economy (paid + {unpaid = shadow work}) Illich proposes the term “vernacular.” He uses the term “to designate the activities of people when they are not motivated by thoughts of exchange, a word that denotes autonomous, non-market related actions through which people satisfy their everyday needs” (1981, p. 57). Illich says there is a class of words that designate the satisfaction of needs that economists cannot measure such as “use values” and “household economics.” These terms he says are too specialized, tainted with ideological prejudice, and “badly limps.”

The term he favors is “the vernacular,” a term he believes that is broad enough to include everything from the preparation of food and the shaping of language, to childbirth and recreation, without including a commodified but unpaid activity akin to the traditional housework of women.

In the light of the distinction I made earlier about exchange value, use value, and basic use values, I find Illich's presentation of the vernacular a bit problematic on several counts. Consider a poor woman homemaker who is married to a wageworker and is raising a child at home—in my judgment this is a basic use value of this household. It may well be that such work subsidizes the accumulation of industrial capital but by what logic chopping device do we deem this as “unproductive shadow work” and not vernacular in the sense that Illich defines it (see figure 1). Illich's exclusiveness in the definition of vernacular creates more problems than it solves. And the language seemed so exotic that I found I could not use it in my conversations with the residents of West Philadelphia during the 10 years I directed a community outreach project.

The conception of a Basic Needs Economy and the Social Construction of Scarcity, that is, the proposition that poverty arises from the subjugation of use values by exchange value and the incorporation of households in the circuit of exchange values has the advantage that it diagnoses the problem while simultaneously pointing a way towards the resolution of the problem.

There is a second source of confusion that arises from the way both Marx and Illich use the term “commodity.” Illich uses the term vernacular to oppose all commodities that include both paid labor and the unpaid labor of shadow work.

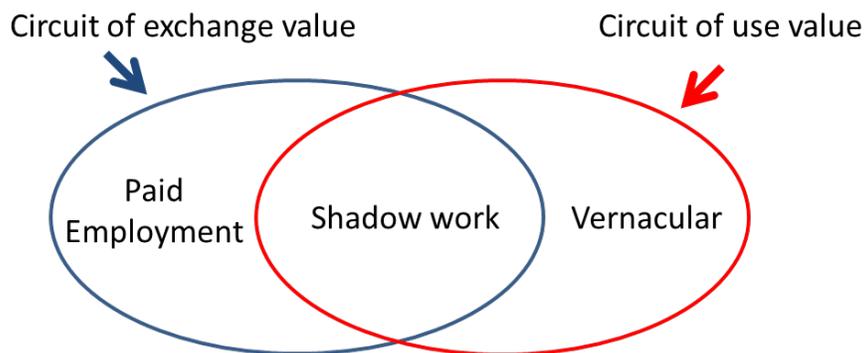


Figure 1. Economic categories employed by Marx and Illich

Marx uses the concept of commodity in both his fundamental circuits of exchange: the circuit of use value (C–M–C) and his circuit of exchange value (M–C–M'). But the manner in which the concept of commodity appears in these two terms is very different and a distinction that must be made explicit.

In the use value circuit the production of the commodity is for exchange in the sense that money facilitates what would otherwise be a barter trade. The transaction happens in the market, but the purpose of commodity production is not the expansion of exchange value or the creation of profit. By contrast, in the circuit of exchange value the intent of commodity production is the expansion of exchange value—the exact nature of the use value is almost entirely incidental as long as it can be sold for a profit.

Clearly a commodity can enter the economy in one of two ways: to facilitate exchange between households or to expand exchange value for the capitalist. Illich's language of the vernacular does not help us to make this important distinction. As for Marx, even though he opens *Capital* with a discussion of the two faces of a commodity—use value and exchange value—use value is not a concept he explores at depth. Marx's attention was completely focused on uncovering the mechanism by which the capitalist appropriates surplus value for the expansion of capital. In my judgment an opposition should not be created with the vernacular and the commodity. The production of commodities as a simple act of exchange (instead of bartering) within the use value circuit (C->M->C) is quite compatible with Illich's desire to give priority to the production of basic use values.

5. Finding Agency

In the first chapter of *Shadow Work* titled, "The three dimensions of public choice" Illich lays out a vision of the society he would like to live in and help bring to realization. "A mode of life characterized by austerity, modesty, modern yet hand-made and built on a small scale that does not lend itself to propagation through marketing. For the first time in history, poor and rich societies would be effectively placed on equal terms. But for this to come true, the present perception of international north-south relations in terms of development must first be superseded." (1981, p. 12) This is a very ambitious vision to say the least. However, as inspiring and insightful as Illich is in his analysis, nowhere does he write about how to get from there from here. This is not meant as a criticism of Illich, rather it is an invitation to those of us who learned so much from him to turn away from exegesis, and make him alive, relevant and contemporary. That is not only a way to honor our debt to his work, but also an urgent need.

The economic development that Illich so loudly objected to is driven by a system of global capital, which, as he himself said in *Tools* is dangerously out of balance. Ecological degradation, radical monopoly, overprogramming, social polarization, and planned obsolescence—these elements are essentially a structural description of the capitalist market economy we live in today. However, global capitalism—conceived in the womb of colonial history and functioning today through international trade, multinational corporations, internet finance capital, aid, debt, military intervention, armament sales, espionage, bribery, corruption, and even terrorism is a vast discursive material formation. No sovereign power—no president, parliament, social movement or army—has the power to change this system, let alone guide it towards a mode of life characterized by austerity, modesty, and frugality. So where and how do we find agency to eradicate poverty if our analysis tell us that poverty is caused by a vast system over which we have no power? Furthermore, the system we speak of is not only the material manifestation of global capital, but is also the confluence of a consumerist culture that equates success with income and the amount of stuff we possess, the academic disciplines, (particularly the discipline of economics that provides the theoretical rationale for development), and a political system fully beholden to support from capital. So what is to be done?

The seeds of the answer lie very much in Illich's work. As the economic geographer Gibson-Graham, writes "What if we were to accept that the goal of thinking is not to extend knowledge by confirming what we already know, that the world is a place of domination and oppression? What if instead we thought about openings and strategic possibilities in the cracks?" (2008, p. 619). However, to make Illich's critique of exchange value relevant for today we need a program to resurrect the theory and practice of use values.

First, it requires a change in epistemology, that is, about how we know what we know. Disciplines such as economics, anthropology, sociology, political science, and human geography need to incorporate the implications of post-structural discourse theory developed by thinkers such as Foucault, Derrida, Lyotard, Deleuze, and Guattari. Traditional social science has to recognize the importance of semiotics and discourse theory of social construction to view how social science understands the world.

Second, we need an elaboration of the claim that poverty is the opportunity cost of development. The Marxian critique of capitalism is not enough because Marxists too work

within the framework of development, albeit socialist development. Illich is strongest here and most of his writing can be harnessed to make a critique of the circuit of exchange value.

Third, we need to focus on how to resurrect a theory of use values, or as I call it the Basic Needs Economy. We are rich with knowledges on how to produce basic use values at affordable prices; these knowledges exist in the fields of nutrition, agriculture, health, housing, energy, transport, and health. The literature is vast and too numerous to list here, a point we should all find encouraging.

Fourth, we need to contest the idea that people are poor because the places they live in have no resources. What we call a “resource” is in fact a relation discursively born at the intersection of supply and demand. For all practical purposes solar energy is not a resource for driving a car but it can be a resource for heating a home. What exactly is a resource cannot be decided without first asking what the end-use is and then seeing what sources can meet that end-use. Although of course petroleum can be used to heat a house, it is enormously wasteful, most particularly because there are other less-resource intensive ways to heat a house. In each of these cases we must first begin with a statement of end-use values, then a statement of all sources of available supply, and try to match sources to end-uses. From the viewpoint of matching end-uses to possible sources, heating a house with oil has been likened to cutting butter with a chainsaw. Matching end-use to resources and energy appropriate supply is not the way we use resources now in the US or any place else in the world. When we declare that Saudi Arabia is rich in resources, but Bangladesh is not, what we are really saying is that Saudi Arabia has resources needed by industrial economies. The fact is that the physical geography of Bangladesh is not at all an impediment to banish hunger from that nation, nor to meet the basic use values of its people.

Fifth, we need an explicit conversation about power and agency. Here I wish to invoke Foucault who in his *History of Sexuality* invites us to move away from sovereign power which subjugates us where “. . . the individual in question is the subject opposite the monarch, the citizen opposite the state, the child opposite the parent, or the disciple opposite the master. A legislative power on one side, and an obedient subject on the other. (1990, p. 85)” “. . . Representation of power has remained under the spell of monarchy. In political thought and analysis, we still have not cut off the head of the king.” (1990, p. 89) In the theory of scarcity advanced in this paper the subjugation of basic use values by the hegemony of exchange value

happens within a very large diffused network of discursive-material relations. Development-induced poverty cannot be banished by changing governments at election time. However, a detailed analysis of the subjugation of use values will reveal the tens of thousands of sites at which the process occurs through technical, social, cultural, political, ecological, and academic relations. Relative to our subject-specific knowledge, all of these sites are also sites of opportunity for resistance and action. As Foucault writes, “Power is everywhere; not because it embraces everything, but because it comes from everywhere, . . . these points of resistance are everywhere in the power network. Hence there is no single locus of Refusal, no soul of revolt, source of all rebellion, or pure law of the revolutionary. Instead there is a plurality of resistances, each of them a special case.” (1990, p. 96) We should view the basic use values of food, health, energy, housing, transport, and education as existing in subject specific networks of power/knowledge. For example, a community garden in the inner-city producing and sharing vegetables is a site at which scarcities induced by a food desert can be engaged.

Sixth, there is the question of scale for social action. Just as much as food, health, and housing provide sites for non-sovereign action, such actions should also take place along a range of scales beginning with the body and expanding to the family, the neighborhood, the community, the region, and beyond. Participating in a national struggle for food security does not mean that actions at an individual or personal level are less important. One of the best examples of action at an individual scale that has profound implications for the exchange value driven by the food and health industry are the choices we make about what we eat and how we care for our bodies. The body is, and must be, used as an instrument in resisting the hegemony of the valorization of exchange value.

Finally, we need documentation of actual case studies showing efforts designed to resurrect basic values. For example, for 12 years from 1998 to 2010, I conducted a Penn State community outreach course titled “Rethinking Urban Poverty: The Philadelphia Field Project.” The theory behind the course was to help households gain some independence from the larger circuit of exchange value. Even within the context of the larger market economy it is still possible to create spaces that produce basic use values at costs affordable to the poor. As mentioned earlier I call this concept The Basic Needs economy.

In West Philadelphia, instead of talking about eradicating poverty or why poor people don't have more income we opened with three leading questions. Within the local area we

asked: (1) Can the quality of life in all sectors of basic use values be improved at affordable prices?; (2) Since many poor people are on fixed incomes is it possible to bring down the cost of living?; and (3) Can a basic use values economy create jobs to address the question of widespread unemployment? The answer to all three questions was a resounding “Yes.”

What is required will be the building of discursive spaces which cogently confront existing economic theories of scarcity. Yet more than thirty years ago a man pointed to exactly this. Illich, among other things, laid the framework and foundation for this work: the use of substantive knowledge in nutrition, health, housing, energy, transport, and education to produce basic use values at affordable prices; create means of employment that produce basic use values; and make visible those places where people have demonstrated how basic needs economies work.

References

- Danziger, S.H. and Haveman, R.H. (Eds.) (2001). *Understanding poverty*. Cambridge, MA: Harvard.
- Engels, F. *The conditions of the working-class in England*. (1845). Accessed April 15, 2013, http://www.marxists.org/archive/marx/works/download/Engles_Condition_of_the_Working_Class_in_England.pdf.
- Foucault, M. (1979). *Discipline and punish: The birth of the prison*. New York: Random House.
- Foucault, M. (1990). *The history of sexuality*. New York: Random House.
- Frank, A.G. (1979). *Dependent accumulation and underdevelopment*. New York: Monthly Review Press.
- Gibson-Graham, J.K. (2008). Diverse economies: Performative practices for ‘other worlds.’ *Progress in Human Geography* 32. 613-632.
- Heilbroner, R. (1990). *The worldly philosophers: The lives, times and ideas of the great economic thinkers*. New York: Simon and Schuster.
- Iceland, J. (2006). *Poverty in America: A handbook*. Berkeley, CA: University of California Press.
- Illich, I. (1970). *Celebration of awareness*. Berkeley, CA: Heyday Books.
- Illich, I. (1971). *Deschooling society*. New York: Harper & Row.

- Illich, I. (1973). *Tools for conviviality*. New York: Harper & Row.
- Illich, I. (1974). *Energy and equity*. New York: Harper & Row.
- Illich, I. (1976). *Medical nemesis: The expropriation of health*. New York: Pantheon Books.
- Illich, I. (1978). *Toward a history of needs*. Berkeley, CA: Heyday Books.
- Illich, I. (1981). *Shadow work*. Boston, MA: Marion Boyars.
- Kileen, R.N.F. (1976). A review of Illich's *medical nemesis*. *The Western Journal of Medicine* 125: 67-69.
- Malthus, T. (2004). *An essay on the principle of population (1798)*. New York: W.W. Norton.
- Marx, K. (1977). *Capital: A critique of political economy, 1887*. New York: Vintage Books.
- Murray, C. (1984). *Losing ground: American social policy 1950–1980*. New York: Basic Books.
- Rhanema, M. (1997). *The post-development reader*. London: Zed Books.
- Robbins, L. (1945). *An essay on the nature and significance of economic science*. London: MacMillan. Accessed at <https://mises.org/books/robbinsessay2.pdf>.
- Sachs, W. (1992). *The development dictionary: The guide to knowledge as power*. London: Zed Books.
- Sachs, J.D., Mellinger, A.D. and Gallup, J.L. (2001). The geography of poverty and wealth. *Scientific American*, 284: 71-74.
- Wallerstein, I. (1979). *The capitalist world economy*. New York: Cambridge University Press.

Author's bio

Lakshman Yapa is Professor in Penn State University's Department of Geography. His research interests combine theories of economic development, postmodern discourse theory, and Geographical Information Systems (GIS). His research and outreach work, *Rethinking Urban Poverty in the United States*, is an academic program that combines teaching, research, and service learning in West Philadelphia. Lakshman utilizes postmodern discourse theory to clarify the impasse of the "crisis of development." Lakshman was recognized in 2000 with the University's highest award for faculty outreach. Recent publications include: "What is Scarcity?" *A Dictionary for the Twenty-First Century: The Ambivalent Future of Knowledge and Culture* edited by A. Nandy and V. Lal. In press.