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#6

José M. Atilas-Osoria

Environmental Colonialism, Criminalization and Resistance

Céline Veríssimo

An Ecodevelopment Model of Medium Size Cities

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Free Software Culture and Development

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SUMMARY

This issue of *RCCS Annual Review* includes three articles on consumption, debt and financial management in the context of the current economic crisis. The remaining articles present a critical examination of various issues: struggles for environmental justice and their relationship with anti-colonial movements in Puerto Rico; the failure of the global capitalist system and the need for a new ecodevelopment paradigm; the limitations of the UN approach to peacebuilding; the processes of sexual regulation in the West and the category of intersex; free software culture and the promotion of development strategies aimed at economic growth as well as at generating social opportunities.

José M. Atilés-Osoria

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Environmental Colonialism, Criminalization and Resistance: Puerto Rican Mobilizations for Environmental Justice in the 21st Century*

Struggles for environmental justice have become a fundamental part of Puerto Rican sociopolitical and anticolonial mobilizations since the mid-twentieth century. In this context, and paying particular attention to the criminalization processes used by the United States in the post 9/11 era, the article develops three lines of analysis: 1) a reflection on environmental colonialism in the context of Puerto Rico; 2) an analysis of the mechanisms of criminalization and repression developed by the governments of the US and Puerto Rico; 3) a review of the Puerto Rican socio-environmental conflicts between 1999 and 2012. The discussion of these points shows the close connection between Puerto Rican environmental and anti-colonial movements, as well as the mechanisms of repression and criminalization deployed against them.

Keywords: anti-colonialism; environmental colonialism; environmental justice; Puerto Rico; repression.

Since the 1990s, movements for environmental justice have gradually acquired a central role in the Puerto Rican sociopolitical imagination. This was the result of various processes to raise awareness and mobilize support for environmental protection that took place between the 1960s and 2012. Following the pioneering work of Concepción (1988, 1995), Bayer (2006) and Valdés (2006) on the environmental struggles in Puerto Rico (PR), the concept of *environmental justice* is understood in this article as a category that groups together various claims and movements campaigning on issues such as environmental protection, the stoppage of contaminating practices and environmental decontamination, amongst other demands. These authors agree that, since the 1960s, a discourse on environmental justice has developed in PR, which may be read in terms of “rights” to a safe environment that is free from contamination and guarantees the wellbeing of communities. As will be shown in this article, this “right” has been vindicated using various strategies, though the most significant have involved legal movements and forms of social protest. The governments of the United States of America (US) and PR have generally been considered responsible for guaranteeing those rights. Thus, I consider that, within a colonial context such as that of PR, which experiences environmental colonialism, the concept of “environmental justice” operates as an explanatory category for a range of different struggles by socioenvironmental

* Article published in *RCCS 100* (May 2013).

movements. However, it should be pointed out that the concept is used somewhat theoretically, and that the socioenvironmental movements may employ other categories to describe their mobilizations. That is to say, most of the movements do not consider themselves to be movements for environmental justice, but rather define their struggles in terms of more concrete demands (e.g., environmental struggles, struggles against contamination, neighbourhood platforms to confront a particular problem, etc.). Thus, the concept of “environmental justice” will be used in this article as a theoretical category that aims to group together these diverse movements and struggles.

These mobilizations are, for their part, the result of broader and more complex processes of struggle for the decolonization of PR. This can be appreciated when it is recognised that, as Mattei and Nader (2008) point out, one of the primary manifestations of colonialism is the exploitation of the territory’s natural and mineral resources, the extraction of its wealth and plundering of its material, cultural and environmental resources. Thus, the struggles for the decolonization of PR and the movements for environmental justice cannot be understood independently, but have to be studied within a common historical framework.

In the wake of these mobilizations for environmental justice and for the decolonization of PR, the governments of the US and PR have deployed various mechanisms of repression and criminalization. Throughout the history of the environmental conflicts in PR, different repressive strategies have been used. Between the 1960s and 1990, repressive mechanisms were initially deployed to halt the advance of the anticolonial movements. Then, after 11 September 2001 (9/11) and the passing of the Patriot Act, the repressive measures and laws deployed have been specifically designed to deter and delegitimize Puerto Rican socioenvironmental movements.

This article focuses on socioenvironmental movements and criminalization processes used in PR between 1999 and 2012. It is divided into three sections: the first section will contextualize the colonial case of PR and discuss the concept of environmental colonialism and its sociopolitical and legal implications; the second section will show the various repression and criminalization mechanisms used by the governments of the US and PR against socioenvironmental movements; and finally, the third section will focus on some Puerto Rican socioenvironmental movements that appeared between 1999 and 2012. Thus, the article aims to describe, firstly, the relationship between the anticolonial and

environmental struggles; and secondly, the development of the repression and criminalization of socioenvironmental protest in the colonial context of PR.

1. Environmental colonialism in Puerto Rico

PR is a Caribbean archipelago consisting of the Isla Grande, the island municipalities of Vieques and Culebra and a series of smaller islands. In environmental terms, PR enjoys great biodiversity, important nature and mineral reserves, reserves of drinking water and fertile soils. This fact, combined with its strategic geopolitical position in the Caribbean Sea, made it a key interest for colonisers, leading to over 500 years of colonial domination. For the last 114 years (1898 to 2012), it has been under US control, and this has had significant effects on the economic, environmental, sociopolitical and legal levels.

In economic terms, the country has been unable to develop its own economic agenda, as it has traditionally depended upon the interests of the colonizing agent. This dependency is manifest in the various economic models that have been imposed over the last hundred years, none of which have ever managed to achieve full yield. Examples are the radical economic transformations that occurred in the first decades of the 20th century, when the country passed from what was predominantly subsistence farming to a sugar cane monoculture. Then, from 1940, the industrialization by invitation model, better known as *Operation Bootstrap* (Baver, 1993; Berman, 1996; Dietz, 1989), was implemented, establishing, amongst others, textile industries and oil refineries. The 1970s saw a new economic transition with the promotion of the pharmaceutical and electronic industries. Then, in the 1990s, the island's economic model became predominantly post-industrial, based on consumption and service industries, which led to the underdevelopment of agriculture and industry, and/or the abandonment of all the previous economic models, except the highly contaminating pharmaceutical and electronic industries.

In accordance with its economic (under)development, the US initiated a process of militarization of PR from 1940. This process, which extended throughout the Caribbean (García & Vega, 2002), involved the expropriation of numerous PR territories to be used for military bases, military exercises and the storage of armaments (Barreto, 2002; McCaffrey, 2006). Militarization led to a surge in various sociopolitical movements for the devolution of the expropriated lands and for the halting of military practices, particularly in the case of the island municipalities of Vieques and Culebra (Baver, 2006; Berman, 2002).

The sociopolitical and legal effects of American colonialism have been diverse. In the legal-political sphere, PR's colonial condition may be understood in terms of a "state of exception" (Atilas-Osoria, 2012), i.e., the constitution of a space of legal indetermination where certain constitutional rights are applied, but whose citizens do not enjoy all of them. One paradigmatic example is citizenship: even though American citizenship was extended to Puerto Ricans in 1917,¹ as long as they lived in PR, they were not accorded rights such as the right to vote in the election for the representatives of Congress and the president of the US. The non-recognition of these rights is based on PR's status under the Territorial Clause² of the US Constitution, and on two central arguments developed from the so-called the Insular Cases³: that which establishes that "PR belongs to the US, but is not part of it," thereby setting up a relationship of ownership and/or a mercantile view of the colonial domination of PR; and, secondly, the premise that Puerto Ricans are "foreign citizens in the domestic sense." Both arguments have led to the administration of this territory through the denial of constitutional rights and guarantees, grounded in various legal loopholes (*ibidem*).

This legal and political indeterminacy has led to the imposition of particular political categories on this territory, and also to a high level of social conflict. The paradigmatic example was the constitution of the Commonwealth of PR or the *Estado Libre Asociado* de PR (ELA)⁴ in 1952. This legal loophole led to the persistence of its colonial status with the consent of much of the country, the international community and, in particular, the United Nations Organization (UN). As for social conflict, this is reflected in the sociopolitical polarization between the pro-annexation and pro-status quo or pro-colonial sectors, and those that support independence.

Given PR's colonial status, there have been various actors and movements that have fought for the country's independence and self-determination. These organizations have mobilized in various ways: through struggles in the international sphere, such as via the UN and its Committee on Decolonization; through electoral mobilizations; the activation of legal

¹ This was possible under the Jones Law of 2 March 1917 (Jones-Shafroth Act, Pub.L. 64-368, 39 Stat. 951).

² Article IV, Section 3, Clause 2 of the US Constitution.

³ The Insular Cases are a series of US Supreme Court decisions issued between 1902 and 1922, which established jurisprudence on the status of PR. They decided aspects related to the citizenship of the Puerto Rican people, the national or international character of legal-political matters in PR, and subjects relating to trade and education. In short, all involve the constitution of legal-normative referents for the positioning of the US over PR and the Puerto Ricans.

⁴ Although the literal translation is the Associated Free State of PR, the official name is the Commonwealth of Puerto Rico.

processes in local and US courts; sociopolitical mobilizations on the margin of colonial legality; and the armed struggle for independence. Although these have brought some sociopolitical and legal advances, they have not managed to put an end to American colonialism.

Environmental colonialism

The exploitation of natural resources and the extraction of wealth (in mineral, human, energy and biological terms), the destruction of the environment and related epistemologies, have traditionally been considered as primary manifestations of colonialism. This fundamental dimension, which Mattei and Nader (2008) call “plunder,” is evident in different historical processes of colonization and domination used by the global North around the world. A historical survey of the various waves of colonialism shows that, despite changes in the strategies used, one of the primary goals is the plunder and exploitation of the resources of the colonized territories.

The history of colonialism shows that the exploitation of resources is grounded in a biopolitical understanding of nature. That is to say, the geopolitical nature of colonialism only becomes central as the territory yields extractable natural, human and mineral resources. Thus, the geopolitical function of colonialism is subordinated to the bios and the possibilities of enrichment from the destruction of life.

In PR, the plunder and exploitation of resources as a result of colonial-capitalist practices and environmental policies imposed by the governments of the US and PR fit perfectly into the phenomenon described above. In this sense, Concepción (1988: 128) points out that the concept of environmental colonialism

[...] refers to the exploitation of renewable natural resources: the release of toxic waste from manufacturing activities into the air, water and earth. [...] [E]nvironmental colonialism was the consequence of the technology that had been located on the island, which consumed a great deal of energy and generated high levels of contamination. The problem is that those renewable resources that have been damaged and overused are essential not only for production activities but also for all forms of life. Therefore, what is at stake is biological survival as well as economic survival. [...] This policy may be considered a new form of subordination and oppression.

Valdés (2006) extends the definition of environmental colonialism in PR to include the various processes and means through which the governments of the US and PR, together with the Puerto Rican economic elites, brought about environmental destruction as a result

of development policies. In his historical survey, he not only highlights industrialization processes but also shows in detail how transformations in the patterns of land/coast use and agricultural production, along with militarism, urban expansion, the development of the tourist industry and gentrification directly affected the environment, leading to countless socioenvironmental mobilizations.

An important distinction should be made between the colonial practices of extraction, described by Mattei and Nader (2008), and environmental colonialism. This differentiation is due to the ideological and strategic character of environmental colonialism. While the extraction of resources imposed by colonialism is grounded in imposed and violent strategies, where the subordinate party receives nothing in exchange, environmental colonialism functions as an ideological system of exploitation that is planned and operates with the consent and participation of the national elites. The extraction, contamination and destruction of the environment is legitimized through the promise of a reward; that is to say, a system of management of natural and mineral resources is implemented for which the economic elites of the country receive something in exchange (e.g., development, modernization, etc.). Thus, environmental colonialism is no longer limited to the exercise of biopower over the colonial territory, but includes a sociopolitical and legal structure which enables the exploitation of resources with the consent of the parties concerned.

This legal-political structure of environmental colonialism finds a new support in neoliberalism. Neoliberalism interprets natural resources as “consumer products” included in the market economy (Nixon, 2011). Smith (2009: 5-6) points out that:

[...] intensified commodification, marketization and financialization of nature is of course an integral element of a much larger project of neoliberalism. Neoliberalism's substitution of private market economic measurement for social calculation, and its insistence that anything of social worth must be tradable in the global market, applies precisely to the emergence of new markets in ecological commodities, mitigation banking and environmental derivatives.

Thus, we find ourselves before a new version of the so-called “social function” of nature. This is also a new neoliberal geography, where “natural resources” have become “ecological commodities” (Bakker, 2010). With this development of neoliberalism, environmental colonialism is reinforced and new strategies for control and domination arise, such as biopiracy, the mass purchase of agricultural lands, carbon (CO₂) emissions trading, and other contemporary enrichment practices based on the commodification and consumption of nature (Nixon, 2011).

Given this biopolitical and neoliberal dimension of environmental colonialism, it is not surprising that anticolonial movements have been very involved in the struggle for environmental justice in PR. The extensive tradition of anticolonial struggle has shown that liberation in the biopolitical domain is just as important as liberation in the geopolitical domain. Thus, it is only natural that the desire for emancipation should transcend the geopolitical and become biopolitical and/or involve investment in physical, environmental, epistemological, cultural and moral emancipation.

2. From criminalization to eco-terrorism

Processes of repression of social mobilizations may be designed according to two paradigms: on the one hand, there is the use of political violence to detain, intimidate and demobilize organizations that challenge the state's legitimacy; and on the other, the use of law and legal discourses as a mechanism to delegitimize those organizations.

For the purposes of this article, the former will be defined under the concept of repression. This mechanism implies the use of violence by the state and para-state organizations for extralegal activities such as: abductions, political assassinations and 'disappearances'; attacks with explosives on the property of militants and their organizations; and the militarization of the public space and disproportionate use of police force. I also include in the term 'repression' the use of mechanisms of surveillance, persecution and coercion that are on the margins of the law, and whose legality may be questioned. In the case of PR, we are referring to the practice of "carpeteo,"⁵ the infiltration of sociopolitical movements by state agents, recordings, photographing and other manifestations of symbolic violence.

As for criminalization mechanisms, these refer to the use of the law to coopt and delegitimize sociopolitical organizations. They include: drawing up special laws;⁶ using the courts and state law to solve situations of a political nature; imposing specific imprisonment policies for political actors; and outlawing organizations, either in terms of positive law or

⁵ "Las Carpetas" or "el carpeteo" was a surveillance programme carried out by the Intelligence Division of the PR Police between the 1930s and 1990. It involved primarily the continuous surveillance of members of independence organizations, socialist groups and other social organizations. This operation was in keeping with the COINTELPRO [Counter Intelligence Program] established by the FBI (Bosques Pérez and Colón Morera, 1997).

⁶ For example, the gagging law, the Sedition Act and the criminal categories pertaining to enemy criminal law (Atilas-Osoria, 2012).

through legalized discourse. The latter refers to the use of official or government discourse to establish that a particular organization is criminal, subversive and/or terrorist, even when this has not been proved by a legal or political body – in other words, it involves the use of delegitimation campaigns to create a common understanding of the antagonistic agent.

This last point is presented by Concepción (1995) in her analysis of the repression of the anti-mining struggles in the 1970s. She claims that two strategies were applied in the process: firstly, they tried to gather support for the project arguing that technologies to control contamination existed and were available; secondly, they sought to destabilize the opposition (Concepción, 1995: 119). As regards the intention to destabilize the opposition, she argues that

[...] the government tried to discredit the opposition and by doing so to divert attention from the issues. Government officials and leading senators focused on the political beliefs of opponents and called them subversives, while downplaying their concerns as primarily politically motivated. An editorial of the newspaper *El Mundo* explained the opposition by pro-independence interests and organizations as ‘narrow nationalism of those who do not want US companies on the island, rather than fair reasons’. (*Ibidem*: 120)

As can be seen, there was as much persecution and repression of the environmental movements as of the anticolonial movements. Likewise, the repressive measures described by Concepción (1995) became the norm in multiple environmental conflicts in PR. These practices also involved surveillance and the ‘carpeteo’ of environmental activists, as well as arrests and incarceration (Paralitici, 2011). One case where the use of repressive and criminalizing practices was particularly flagrant was in the struggles against the American naval bases at Culebra and Vieques (before 1999). With the effects of contamination, and the insecurity and environmental damage caused by over 30 years of military training exercises, the 1970s represented the high point in the struggle to get rid of the naval base on the island of Culebra. In these mobilizations, anticolonial movements, including the Puerto Rico Independence Party (PIP) and the Puerto Rico Socialist Party (PSP), played a central role. As a result of these struggles, in 1975, the naval base stopped its military exercises in Culebra and passed to the neighbouring island of Vieques.

In the context of the protests against the naval base at Culebra, the PIP used a tactic that was new in PR, and which involved the fishermen and members of the community. This consisted of incursions into the areas of the naval base reserved for exercises and manoeuvres, and involved civil disobedience and/or peaceful disobedience. This led to the

arrest of several members of different organizations, most of whom were sentenced to between three and six months in prison by the US Federal Court in PR.⁷ The struggle against the presence of the US Navy in Vieques also led, on 11 November 1979, to the political assassination of the anticolonial and environmental activist Ángel Rodríguez Cristóbal in a prison at Tallahassee, while he was serving a six-month sentence for acts of civil disobedience (Paralitici, 2011). This killing is an example of how the repressive tactics and strategies deployed against the anticolonial movements were also used against the socioenvironmental movements between 1960 and 1990.

Following the events of 9/11 in the US, the mechanisms of repression intensified with the enactment of the Patriot Act. This law, designed to deal with “terrorist threats,” incorporated a new element in the definition of terrorism, namely the concept of ecoterrorism, which was included in the Patriot Act as a way of criminalizing “ecotage” and/or economic sabotage – i.e., a form of resistance that involves action against inanimate objects (Vanderheiden, 2005). This type of action, traditionally used by environmentalist movements that advocate direct action, became popular in the 1980s, but after 9/11 became considered as acts of terrorism by the US. This transformation of ecotage into ecoterrorism has given governments and economic interests *carte blanche* to act directly against environmentalist movements in the US, including when their actions fall within the bounds of civil disobedience and/or ought not be construed as terrorist acts.

In the context of the socioenvironmental struggles in PR, ecotage has scarcely been used.⁸ Instead, peaceful civil disobedience has been the most widespread tactic used by Puerto Rican socioenvironmental movements. Hence, the government has opted to consider civil disobedience as ecoterrorism. That is to say, in PR, it is the “occupation of building sites” that has been considered as ecoterrorism.

3. Socioenvironmental struggles

According to Valdés (2006), there are four types of socioenvironmental organizations in PR:

1) conservationists, environmental NGOs and organizations made up predominantly of

⁷ This was the case of Rubén Berrios Martínez and the leaders of the PIP, who were arrested on 21 January 1971 on the beaches of Culebra and sentenced to three months’ imprisonment (Paralitici, 2011).

⁸ In my research I have identified only one occasion when this kind of action was carried out during the 1990s. The case involved the sabotage of tubes and machinery destined for the construction of the North Coast super-aqueduct by the Boricua Popular Army (also known as Los Macheteros), on 31 March 1998.

academics and other intellectuals; 2) sociopolitical-environmental NGOs, formed of environmental, religious, political, social and worker groups; 3) environmental groups fighting against a specific phenomenon that affects some aspect of the environment (these groups are generally formed from strategic coalitions of social, political, religious, environmental and conservationist groups); 4) community environmental organizations, usually composed of grassroots groups that mobilize to protect their own communities. Although these organizations are composed of specific sectors of society, they display a certain level of diversity, depending on the demographic features of their communities (Valdés, 2006: 45). The activities and struggles of these environmental organizations have unfolded over two broad periods: the first, between the 1960s and 1990s, and the second between 1999 and 2012. This division is based on the configuration of the environmental movements and on the mechanisms of repression and criminalization employed by the governments of the US and PR.

In broad terms, the first environmental struggles in PR were marked by the presence of Puerto Rican anticolonial movements. Organizations such as the Pro-Independence Movement (MPI), the PSP, PIP and the Pro-Independence University Federation (FUPI), played a central role in the support and organization of environmental struggles between 1960 and 1990. These struggles can be viewed in terms of two major goals: there were those that opposed projects designed by the governments of PR and the US, and others that demanded access to and democratization of the use and management of resources. With regard to the former, examples of struggles against US-proposed projects are the movements for the preservation of the Lajas agricultural valley in the 1990s (González Cruz, 2008) and the struggles to oust the US Navy from the islands of Vieques and Culebra (from 1960 to 2003). Movements opposing PR-government projects include the anti-mining struggles (between 1960 and 1995), mobilizations against the construction of the North Coast super-aqueduct⁹ in the 1990s (*ibidem*), and the struggles for the development of stricter environmental policies.

As regards the second group of mobilizations, these include the struggles against “urban development” projects proposed by the colonial elites, such as: movements opposing the privatization of beaches, better known as “Las Playas pal' Pueblo” (1960 to 2012);

⁹ A water distribution system that runs from the north of the Island and supplies water to San Juan (capital of PR) and its metropolitan area.

movements for the conservation and preservation of woods and wetlands; movements for the decontamination of zones affected by industrial and military activities; and movements against urban speculation and gentrification (Baver, 2012). In these cases, we find that most of the mobilizations have been carried out by community organizations that receive the support of sociopolitical and anticolonial groups. It is probably in these mobilizations that we find the greatest use of the law by socioenvironmental movements as well as by the so-called “developmentalists,” or investors. It is interesting to note that in these antagonistic spaces, the law and legal discourses become a sphere for both the resistance to and the advancement of economic interests.

From the 1990s, the socioenvironmental mobilizations underwent a process of transformation. In this context, the environmental movements took the form of social mobilizations that broadly influenced Puerto Rican sociopolitical struggles. As we have seen in the typology presented by Valdés (2006), one of the most important features of Puerto Rican socioenvironmental movements is their capacity to combine and mobilize various social, political, legal and community sectors. This capacity for action was exemplified most intensely from the second wave of protests against the naval base at Vieques (1999-2003), in which anticolonial movements, civil society and socioenvironmental movements played a central role (Barreto, 2002; McCaffrey, 2002).

“Peace for Vieques”

On 19 April 1999, the US Navy was carrying out military manoeuvres in Vieques when a bomb launched from one of its aeroplanes fell onto a security post on a bombing range. In that security post were several civil employees of the naval base including David Sanes Rodríguez, who died as a result of the impact. His death was the spark that ignited the second wave of mobilizations against the naval base at Vieques.

These protests, which ran between April 1999 and May 2003, were symbolically one of the most important sociopolitical periods for Puerto Ricans. This is not only because the navy base left Vieques, but also because various levels of action came together, with solidarity between different sociopolitical sectors of the country and the international sphere. This convergence was due to what we call “civil society,” which in PR, unlike other cases, refers to the joint action of anticolonial, socialist and environmental movements,

religious groups, traditional political parties, social organizations and communities (Colón & Rivera, 2006).

This new struggle against the naval base of Vieques symbolized the end of a strategic and ideological transition that had begun in 1990 with the mobilizations for the protection of the Valle de Lajas and against the naval base in Vieques (González, 2008). The new mobilizations consisted of acts of civil disobedience carried out on the lands that were used for military manoeuvres (as already mentioned, this tactic was used in the first period of mobilizations). Thus, in the name of the human rights of the Vieques people, against environmental contamination and for the devolution of the lands that belonged to the Puerto Ricans, thousands of people joined together to put an end to the military manoeuvres. Under the slogan “Peace for Vieques, US navy out of Vieques and All PR with Vieques,” on 21 February 2000, more than 100,000 people marched through the streets of San Juan demanding the immediate removal of the naval base (Paralitici, 2011).

In the face of these protests, which were attracting growing support from the citizens and the international community,¹⁰ the naval base and US government began a campaign of repression against the demonstrators. On 4 May 2000, a contingent of federal agents began breaking up the civil disobedience encampments that had been set up in the area of the bombing range at Vieques and arresting protestors. Between 2000 and 2003, two thousand people were arrested for civil disobedience. All were tried in the US Federal Court in PR, and given prison sentences that extended from a few hours to various years. It is interesting to note that although civil disobedience is considered a minor offence in the US, usually punished with a fine or a warning, the colonial status of PR permits this type of excess (Susler, 2002). Furthermore, many of the protestors that were arrested denounced abuse and violation of their human and civil rights (Reverón, 2002).

Finally, when the US Navy withdrew from Vieques on the 1st of May 2003, certain events took place that acquired importance. Firstly, during the celebrations that followed this victory, a group of activists destroyed vehicles and a guard-house, resulting in the arrest of the demonstrators and the beginning of a criminalization campaign that involved both the law and the media; in the end, they were given sentences of three to six years in federal prison (Paralitici, 2011). Secondly, it led to the start of what Bayer (2006) has called a new

¹⁰ It should be pointed out that the UN Decolonization Committee was in favour of the immediate removal of the Vieques naval base in 2000.

stage in the Vieques struggle, which has involved mobilizations for the cleaning, decontamination and devolution of the lands occupied by the naval base. This is a significant stage, since the lands were transferred to the US Fish and Wildlife Service and the Conservation Trust without being decontaminated. Berman (2010) points out that the future development of the island of Vieques depends largely upon the cleaning and decontamination of the areas affected by more than 40 years of military practices. This political-economic demand for environmental justice indicates the new scope of the struggle and the new connections of resistance to environmental colonialism.

From Vieques to Paseo Caribe

With the positive results achieved by the presence of civil society in the struggles against the naval base of Vieques, after 2003 the mobilizations for environmental justice took on similar organizational models, i.e., the activation of diverse sectors across a broad front. Thus, in the first decade of the new millennium, there were various socioenvironmental mobilizations that opposed both environmental colonialism and the development policies implemented by the government of PR and the economic elites.¹¹ These included the movements opposing the construction of the Paseo Caribe housing complex in 2007.

This project, proposed by the national economic elites and the transnational hotel company Hilton, involved the construction of a residential building in the coastal area of Condado in San Juan, which endangered the San Jerónimo Fort, one of the most important historical structures of the region. It also aimed to privatize access to this historic monument and the beaches. The opposition to this project was conducted through civil disobedience, popular demonstrations and the incorporation of a legalized discourse of possible alternatives to the project. The best example of this legalistic discourse was the creation of a People's Court (on 16 November 2007) in which possible violations incurred by the developers were evaluated, producing a "final decision" in which it was established that "the

¹¹ The mobilizations included: struggles for the preservation of the forests and areas of great biodiversity (e.g., the San Patricio Meadows, the Northeast Ecological Corridor, the Caño Tiburones and Caño Martín Peña nature reserves); protests for the protection of coastal areas; struggles for the cleaning and rehabilitation of the areas affected by military and industrial activities; and community mobilizations against the construction of radio and telephone aerials, amongst other things.

project violated the laws of public environmental policy and zoning, amongst other violations.”¹²

Although there was no significant campaign of repression and criminalization as a result of these mobilizations, the opposition to this project and the occupation of building sites by environmental groups served as a pretext for the presentation in 2009 of a new law designed specifically to criminalize socioenvironmental mobilizations.

The state of emergency on energy and new patterns of criminalization

From 2009, the government of PR developed a new public policy that directly affected the environment, resulting in the emergence of new socioenvironmental protests and the criminalization of these movements. More specifically, the new public policies on the environment have brought two major legal-political effects: the declaration of a state of energy emergency and the adoption of specific laws criminalizing socioenvironmental protest.

With the commencement of the neoliberal administration of Luis Fortuño (PNP), the thesis was put forward that PR lived in a “state of energy emergency.”¹³ The declaration of this state of emergency was made under Executive Order OE2010-034, which established that, as 70% of electrical energy production in PR was derived from petroleum-based fossil fuels, which brought high levels of contamination and high production costs, it was necessary to seek cheaper environmentally-friendly alternatives, preferably of a renewable nature. Thus, the Energy Affairs Administration (AAE)¹⁴ was set up, and a programme was developed to seek out alternatives to the current situation.

Up to this point, one can agree with the assumptions of “energy emergency” and with the socioenvironmental and economic problems caused by oil dependence, and therefore with the need to find alternative sources of energy. However, the declaration of a state of emergency has various sociopolitical and legal implications that should not be overlooked. For one, it means that decisions regarding the country’s future on energy, environmental, sociopolitical and economic matters can be made unilaterally without prior consultation of

¹² See the final decision at <http://myweb.ecomplanet.com/eldt6383/mycustompage0436.htm>.

¹³ The declaration of the state of energy emergency was in keeping with the state of fiscal emergency declared in 2009. Both declarations revealed the present administration’s support for an authoritarian model of government, which does not abide by standards of democratic governance.

¹⁴ For details on this new agency, see <http://www.aae.gobierno.pr/> (accessed on 5 August 2013).

the citizens. It also renders invisible the possible effects of projects that directly affect the community. This element of exceptionalism¹⁵ demarcates a new sphere of legal-political action under the state of emergency/exception, since this has traditionally been reserved for contexts where the rule of law is threatened by social revolt, revolution or war (Agamben, 2005). Hence, what is new in this case is that the state of emergency is applied to a problem that does not directly threaten the colonial administrative structure.

As a result of the declaration of a state of energy emergency, the Fortuño administration proposed various projects of great environmental impact, including: 1) the conversion of oil-based electrical plants to natural gas; 2) the creation of a pipeline to transport natural gas 155 kms from the south to the north of the island, bringing impacts for the environment, the groundwater, archaeology and residential areas; 3) the construction of waste incineration plants in the north of the country; and 4) the installation of wind turbines in areas of high agricultural production.

All these proposals provoked a series of important socioenvironmental protests. One of the most significant was the opposition to the construction of the northern gas pipeline. These mobilizations are an example of the way socioenvironmental struggles have brought together various different actors and proposals. In this case, the actors included the Casa Pueblo organization, community organizations, anticolonial movements and civil society.

The specific law that criminalizes socioenvironmental protests is Law No. 158, of 29 October 2010,¹⁶ which states that it serves “the purpose of establishing the obstruction and paralysation of building works as a new felony.”¹⁷ The criminalization of socioenvironmental protest is laid out in the following lines of this law:

Anyone who intends to temporarily or permanently obstruct any building work, whether public or private, or land work that have the permission, authorization or endorsement of the agencies concerned [...], will incur a felony of the fourth degree.

¹⁵ This was established by Law No. 32 of 14 March 2011, which amended Article 12 of Law no. 76 of 5 May 2000.

¹⁶ Law No. 3, of 4 February 2011, added a new article (246-A) to Law No. 149 of 18 June 2004, amended, known as the “Puerto Rico Penal Code,” with the purpose of categorizing as a felony the obstruction of public services in educational and health institutions and other buildings that provide governmental services to the public. See <http://www.lexjuris.com/lexlex/Leyes2011/lexl2011003.htm> (accessed on 5 August 2013).

¹⁷ See the webpage: <http://www.lexjuris.com/lexlex/Leyes2010/lexl2010158.htm> (accessed on 5 August 2013). This amendment to the Penal Code is known popularly as the “Tito Kayak Law,” since it was seen as a reaction to the protests of the well-known Puerto Rican activist and environmentalist Alberto de Jesús “Tito Kayak.”

By classifying the occupation of a public or private work as a serious felony, the type of protest that is most effective in the struggles for environmental justice (civil disobedience) is criminalized. However, the legislator legitimizes this criminalization measure through a public safety argument. This is made clear in the preamble to the law, which argues that the state's interest is to "protect the life and property of its citizens" by preventing them from entering buildings or facilities that are under construction, given the risk of serious injury for anyone that is not properly trained. Obviously it is nowhere stated that the aim is to prohibit protests against projects that openly violate environmental legislation; however, this is clear from the classification of the following activities as felonies:

(a) Preventing the entrance or access of employees, vehicles and people, including suppliers of materials, authorized by the owner, contractor or site manager; (b) Occupying lands, machinery or spaces that form part of the building site or the land movement site; (c) The court will also impose a sentence for restitution.

I believe that, by classifying civil disobedience and socioenvironmental protest as a serious offence, the administration aims to put an end to the contingent practices developed by Puerto Rican environmental movements. This tactical and strategic rupture will have the same implications as the classification of ecosabotage as ecoterrorism under the Patriot Act. That is to say, this law delegitimizes all environmental protest actions, and makes it impossible to take action without running the risk of being accused of a serious felony; it also implies that Puerto Rican socioenvironmental movements have achieved such a degree of recognition that the PR government has decided to demobilize them through the constitution of criminalization mechanisms specific for the purpose.

The first people to be accused under the new law were a group of six protestors belonging from the *Frente Rescate Agrícola* (FRA, "Agricultural Rescue Front"). They were arrested on 15 December 2011 while carrying out acts of civil disobedience on the agricultural lands of the southern town of Santa Isabel, that is, while "they were demonstrating in a public entrance to the farmlands where the company *Pattern Energy* planned to install sixty-five 131-metre high wind turbines, disturbing at least 1455 hectares of the Santa Isabel agricultural valley."¹⁸ At present, the accused are facing a minimum of six months in prison.

¹⁸ Quoted from "No culminan los procesos legales contra los seis manifestantes arrestados en Santa Isabel," by the Frente Rescate Agrícola (FRA), 03.02.2012. Available at <http://pr.indymedia.org/news/2012/02/50901.php> (accessed on 5 August 2013).

This movement to oppose the installation of wind turbines is a fundamental part of the struggles that are currently taking place against the neoliberal policies and state of energy emergency declared by the Fortuño administration. There have been demonstrations against the northern gas pipeline and the incinerator in the northern town of Barceloneta, and others calling for the protection of the northwest ecological corridor – just some of the protests that could be affected by this new criminalization measure. For the moment, we know that projects such as the pipeline have been strongly questioned by the town and by all the administrative bodies that have to authorize it.

Conclusions

This article has attempted to sketch the conflictual situation between socioenvironmental movements, environmental colonialism and the criminalization of socioenvironmental protest. In general terms, it has shown that the struggles for the preservation of the environment are an essential part of anticolonial struggles, while also describing the development of the Puerto Rican socioenvironmental movements from the moment of their formation until they became a central force in the social and political life of the country. Their broad trajectory not only provides evidence of a tradition of struggle and the central role played by environmental justice in the Puerto Rican sociopolitical imaginary, but also shows the capacity to resist repression and environmental colonialism.

For its part, environmental colonialism continues to be a key factor for identifying contingent positionings and strategies. As I have shown, the governments of the US and PR have conceived mechanisms of repression and criminalization as a response to every demand made by the Puerto Rican movements. Hence, in the first period of socioenvironmental struggle, the governments implemented the same mechanisms of repression that had been designed and applied against the anticolonial movements. Later, in the context of the struggles against the Vieques naval base, they put greater emphasis upon repressing civil disobedience. Finally, in the post 9/11 era, acts of sabotage were classified as ecoterrorism, in the case of the US, and civil disobedience and the occupation of buildings and projects that affect the environment were classified as serious felonies in the case of PR.

These reconfigurations of the mechanisms of repression and criminalization raise a challenge for the socioenvironmental movements, a challenge that may be expressed through the following question: how to activate processes of socioenvironmental struggle in

the post- 9/11 era? In the same way, the environmental colonialism imposed by the US with the consensus of the government of PR presents an additional challenge: how to emancipate oneself from all forms of power, not merely geopolitical, but also biopolitical? I consider that civil society, the anticolonial and socioenvironmental movements have demonstrated their ability to advance a new sociopolitical, environmental and economic agenda irrespective of the forms of power imposed on the country. All that is missing is that they be permitted to go forward. Thus, while there is repression, criminalization and colonialism, there will be movements, actors and subjectivities that raise their voice against colonialism and on behalf of environmental justice.

Translated by Karen Bennett

Revised by the author and Teresa Tavares

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The Significance of Outdoor Domestic Space for an Ecodevelopment Model of Medium-Size Cities. A Case Study of Dondo, Mozambique

In the neighbourhoods of Dondo, the urban environment materialises through the appropriation of the natural environment by society in order to construct its habitat and fulfil its needs in a lasting, balanced manner, because “human participation in nature’s processes is the natural condition of human existence” (Schmidt, 1971: 79). In order to resist the marginalisation of the dualistic city, the external space surrounding the house – which I call the ‘Outdoor Domestic Space’ – is adapted to integrate both farming and businesses, shaping a green and ruralised pattern of urbanisation. Assuming that there is an innate relationship between humanity and nature, industrialisation and the rise of capitalism marks the rupture between ‘democracy’ and ‘ecology’. This paper suggests that it is possible for societies to reassert collaborative practices and self-organisation.

Keywords: sustainable development; Dondo (Mozambique); ecology; survival strategies; urbanization.

In pre-colonial Mozambique there were mainly two opposed societal systems: on the one hand, the stateless Bantu communities, which developed an agro-social system based on kinship relations and subsistence agriculture and lived in scattered domestic settlements, and on the other hand, the centralised Monomotapa state, which expanded agricultural production, developed a new metal technology and expanded trade within a network of walled cities linked to the port city of Sofala. Later, Portuguese colonialism introduced an imperialist economy through non-sustainable relations of intensive exploitation of human and natural resources with forced labour and taxation. This resulted in the increased dispersal of people in scattered settlements to escape oppression, on the one hand, and on the other gave rise to a dualistic form of urbanisation in the search of improved livelihoods – the ‘cement city’, which is the post-colonial central part of the city with modern concrete buildings, is surrounded by another city, the Mozambicans’ ‘reed city’ of the past, where most of the urban population now lives.

The delayed decolonisation process of the African countries ruled by Portugal occurred only after the collapse of the *Estado Novo* (1974), and coincided with a new phase of the Cold War that extended to Africa. The election of Thatcher as Prime Minister of the UK in 1979 and of Reagan as US President in 1980 led to the intensification of the conflict and brought serious consequences for three of the former Portuguese colonies in Africa (Guinea-

Bissau, Angola and Mozambique). Shortly after independence, on 25 June 1975, the US and NATO empowered apartheid South Africa to attack communism in Mozambique (and Zimbabwe) by supporting the anti-communist organisation RENAMO [Mozambican National Resistance] in a devastating destabilisation war against the Marxist-Leninist FRELIMO [Mozambique Liberation Front] (1977-1992). Frelimo's post-independence development model of 'villagisation' (*Aldeias Comunaís*) was a collective form of social organisation based on democratic centralism which, due to the influence of modernism, totally neglected traditional forms of self-organisation. State Farms and Communal Villages were meant not only to collectivize the liberated Mozambican society but also to achieve rapid economic growth in order to withstand foreign destabilisation and consolidate national legitimacy. Under the constant threat of Renamo attacks in the hinterland and with poor central state support, there was a massive rural exodus to the cities to escape the war and find aid. That not only marked the moment of rapid urban sprawl throughout the country (see Table. 1), but especially triggered the reinforcement of existent self-organising strategies in urban transformation for communal survival.

The pre-capitalist legacy of domestic urbanity and urban farming¹ merits consideration when conceptualising the urbanisation of Mozambique as a self-organising system. Based on this, the case study of Dondo² is here considered as evidence of an 'Agrocity' rather than an 'urban village'.³ The notion of 'Agrocity', simultaneously as a positive and a normative hypothesis, challenges the mainstream separation of 'rural' and 'urban' inherited from the 'cement' and 'reed' dualistic city. It is characterised by small-size, low-density levels, spacious house plots, low-input built environment characteristics, natural urban habitats and ecosystems, permaculture, low dependence on the periurban natural resource base, high dependence on the urban natural resource base, high levels of civil participation in the urban food supply, households' autonomy regarding food from urban farming and income from domestic businesses, and high input into the local economy. This generates a

¹ There were both collective and domestic 'machambas' [a family-owned piece of land for subsistence and minimal cash-crop agriculture] in the settlements of the Monomotapa State (AD 1425-1884).

² Dondo is the capital city of the district with the same name in Sofala Province in the Central Region of Mozambique. It is located on the east bank of the Pungwé River, which flows from Beira to the Indian Ocean, a distance of about 30 km. The district of Dondo has a surface area of 2,308 km² and a population of 161,752 inhabitants, distributed in two administrative areas called 'Postos Administrativos': Dondo City, which is the Municipality of Dondo, Chinamacondo and Savane; and Mafambisse, which includes Mafambisse Sede and Mutua (District Administration of Dondo, 2006; INE, 2012).

³ Frelimo's socialist rural development agenda was based on John Friedmann's 'agropolitan approach' (1975), which, among other aspects, involved erecting urban villages in remote areas.

spontaneous, ruralised and green form of urbanisation that is self-maintained collectively by the urban communities themselves.

Contemporary theories concerned with human society and ecology, as is the case, are beginning to incorporate the processes of decentralisation and self-organisation (Fuchs, 2000 and 2003; Downton, 2009). Applying these principles to Mozambique's dualistic urbanisation, this paper considers the fact that the self-organisation of society initially emerged from resistance to colonialism, but it also became a form of resistance to the centralist state's definition of socialism. Drawing on the empirical evidence gathered from the case study, the paper argues that there is an alternative form of development based on decentralised and self-organised forces, and shows how 'ecodevelopment' exists not just as a utopian idea, but as a real force based on a type of self-organisation of the human habitat and its relationship with nature.

Crucial to this argument are the recent circumstances in which these processes have been evolving. With the fall of the Soviet Block and the triumph of neoliberalism, pressured by the World Bank and the International Monetary Fund through Structural Adjustment Programs, Mozambique opened itself to globalisation. Hence, the 'cement city' is now the core of neoliberalism, a node of the global economy, where foreign donors and the international market economy control the national political economy, its people and resources, exacerbating the premise of the negation of self-sufficiency that continues to evolve gloriously on its margins. The neoliberal model of development which has been adopted in the past 20 years completely bypasses the realities of Mozambican society. Therefore, the paper concludes that the strategy of self-organisation regarding the household/Outdoor Domestic Space unit, which existed previously as a resistance strategy, first against colonialism and later against the state's definition of socialism, has become a strategy for survival in the face of a global economy that completely neglects both the people and the land. Furthermore, because the capitalist model is now threatening to collapse (Brenner *et al.*, 2009; Berberoglu, 2012), this raises the possibility for what was previously seen as a marginal survival strategy to become the mainstream of a new pathway to development whereby humanity can salvage itself from the ruins of the current system.

On the one hand, the highly exploitative character of global capitalism which, when functioning well, subjugates people and nature, needs to be overturned in order to ensure survival. Paradoxically, on the other hand, when capitalism crashes, people are not released

from exploitation but instead face a high risk of the mass collapse of livelihoods that have become dependent on, or are part of, the failing capitalist system. Apart from communities such as Dondo,⁴ which have remained largely self-reliant, decentralised and close to nature, the failure of the global capitalist system makes livelihoods deteriorate drastically and restricts the rapid recovery needed for the establishment of a new state of order within the whole system. This suggests that self-organising systems working with nature are more resilient and autonomous, and therefore more immune to the effects of external crises. Thus, under particular decentralised social configurations, neither poverty, population densification nor the intensification of production are responsible for environmental degradation and global warming. Consequently, urban expansion, as the social production of habitat, instead of being the source of environmental problems, poverty and environmental degradation, might instead embody the rise of a new ecodevelopment paradigm.

The dialectics of increased disjunction between the human habitat and nature

When the city is produced on the basis of capital accumulation it naturally creates a disjunction of two different worlds: the part of society that evolves by exploiting people and nature, against the other part that lives by working with each other and with nature, and which is increasingly marginalised as the neoliberal part of the city expands. Whether it is a financial or a business district, under neoliberalism the core of every city becomes part of the global economy and loses its links with its own self, people and place, i.e. its local identity. Thus, an extreme polarisation between 'the formal' and 'the informal', 'the rich' and 'the poor', 'the country' and 'the city' generated by globalisation – marking the difference between the few that wield power and the large majority that is ruled – underlies the core-periphery relationship where the periphery is always deeply marginalised.

According to Araújo (1998), this highly differentiated spatial production in Mozambique results from a colonial 'dominator-dominated' relationship that intensified with globalization, given continued complex relationships of complementarity and opposition. This kind of growth and development pattern will always have a negative feedback on adjacent areas,

⁴ This paper is based on research developed in three neighbourhoods – Mafarinha, Nhamayabwe and Thundane, in Dondo Municipality (close to the port city of Beira), Sofala Province in the Central Region of Mozambique. The Municipality of Dondo has a surface area of 382 km² and is composed of 10 neighbourhoods with 70,436 inhabitants. Most of the population live in spontaneously built and managed urban, suburban and periurban neighbourhoods around the formal 'cement city'.

and will continue causing sharpened inequality among the people and degradation of the land.

This disjunction between human society itself and nature is materialised in Mozambique's dualistic urbanization, based on a core-periphery system where the marginalised periphery is actually building the prosperous future, which in this case is also rejoining humanity with nature. This is so because, as the core becomes more detached from the periphery, the periphery builds its own ways of survival. Today, this social and spatial disjunction is widespread, more evident and even heightened at global level as the crisis deepens, giving rise to: (a) urban problems (increase in poverty, poor basic infrastructures and services, pollution, etc.); (b) ecological threats (climate change, global warming, loss of biodiversity, etc.); (c) social unrest (popular insurgency against repression from authoritarian and/or globalisation-based states – e.g. the 'Arab Spring' and 'Occupy Wall Street'); and (d) global transition movements (e.g. Transition Network). Therefore, problems of climate change, peak oil, food crisis, political and economic crisis, decreased social equity, world poverty, biased democracies, oppressive regimes and so forth, highlight the current disjunction between humanity and the earth which is becoming increasingly aggravated. Transition towards a post-capitalist society does not necessarily involve rupture with the current system in the form of a revolution, which would probably generate tragic results. A silent revolution is not only possible, but has already been taking place, as is the case with Dondo. This is so, because ecosocialism is, on the one hand, a spontaneous reaction against the unnaturalness of capitalism, and on the other hand, a dialectical process between societal groups, and between society and nature, that re-discovers humans' connection with nature (Schultz et al., 2004).

The dualistic urbanisation of Mozambique

Historical analysis demonstrates that the origins of urbanisation in Mozambique are linked with the requirements of a mercantile economy based on the export of materials, resources and even people to foreign countries, and on the establishment of trading posts by various peoples (first the Arabs, Persians, Indians and Chinese, and later the Portuguese). This reinforced the pattern of social spatial segregation which dates back to the pre-colonial,

highly hierarchized societies⁵ descending from the Great Zimbabwe Kingdom, the Monomotapa. Portuguese colonial rule, characterised by the use of forced labour and taxation, led the population to disperse and return to scattered domestic settlements in more remote areas (Newitt, 1997). This dispersal and isolation of the Mozambican population occurred as a means of escaping colonial oppression and finding security. Spatial segregation and isolation also existed among the villages and extensive farms in rural areas (Araújo, 1998) during colonial occupation, and still do today, in land concessions for foreign market agents. Meanwhile, Mozambican men, who represented the main colonial work force, were settled in dormitories built around workplaces (Casal, 1996; Araújo, 2002). Later, from the 1950s onwards, when the modernist Portuguese cities grew as a result of a major influx of Portuguese settlers in Mozambique to legitimise Salazar's Portuguese 'Overseas Provinces' in the face of post-war anti-colonial international criticism, Mozambican workers gradually began living with their families in scattered settlements around the cities. Since women were not allowed to work, they continued their rural lifestyle, cultivating backyards and any open space found in and around the cities, to produce food and supplement the low wages of the men, especially when a surplus allowed produce to be traded (Guedes, 1976). Facing several food crises, as well as a permanent scarcity of food due to natural disasters and political-economic changes, the rural tradition and knowledge of natural processes were creatively adapted by households to meet urban challenges, giving rise to the phenomena of urban agriculture, informal food markets and domestic businesses providing goods and services in the cities of Mozambique (Costa, 2003).

The very rapid growth of informal urban settlements that took place following independence in 1975 was mainly due, firstly, to the nationalisation of property and land, which encouraged people to occupy the recently vacant houses and apartment blocks in colonial neighbourhoods, as well as land in the surrounding suburban areas, specially in the capital city of Lourenço Marques (today's Maputo), and later, to the mass exodus of the rural population to the cities to escape the 1976-1992 war with the counter-revolutionary Renamo (see Table 1).

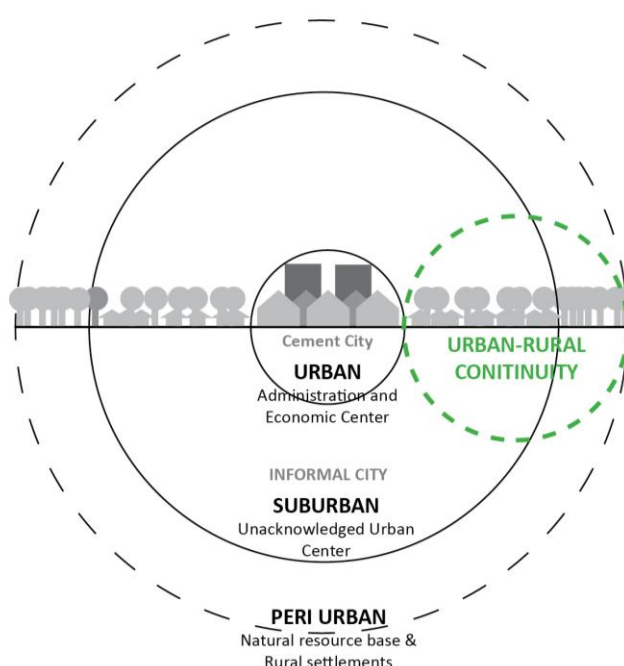
⁵ The Monomotapa period extended from the early 15th to the late 19th centuries (AD 1425-1884).

Table 1: Population of Lourenço Marques During the Colonial Period and of Maputo After Independence

| LOURENÇO MARQUES (thousands) | 1904 | 1935 | 1961 |
|---------------------------------|------|------|------|
| | 10 | 47 | 184 |
| MAPUTO (millions) | 1985 | 1990 | 2000 |
| | 1,09 | 1,59 | 3,14 |

Source: Freund (2007) and UN-HABITAT (2008)

In addition, the effects of a series of natural disasters and climate change, combined with the collapse of the urban infrastructure and rapid urban sprawl, increased the social spatial segregation, which was exacerbated by privatisation after 1991. The impact of these factors has led to an increased rescaling of the inherited dualistic urbanisation pattern that characterises the cityscape of contemporary Mozambique (see Fig. 1). Today, the former colonial city is the formal city centre, known as ‘cidade de cimento’ – the *cement city*, because of the modernist European high-rise and low-rise concrete buildings and paved roads, contrasting with the surrounding spontaneously settled, self-built and unserved Mozambican neighbourhoods (see Fig. 2-4). In colonial times the latter were called ‘caniço’ or ‘bairros de caniço’ – the *reed* or *reed neighbourhoods*, as this was the main material used to build houses (Guedes, 1976).

**Figure 1: Dualistic Urban Structure of Mozambique's Urbanisation – schematic diagram**

Source: Céline Veríssimo (2009)



Figure 2: Ave. Julius Nyerere towards Ave. Eduardo Mondlane, Maputo

Source: Céline Veríssimo (2008).



Figure 3: Road view of Bairro Aeroporto A, Maputo

Source: Céline Veríssimo (2008).



Figure 4: Urban life in Bairro Aeroporto A, Maputo

Source: Céline Veríssimo (2008).

Despite the post-independence socio-economic transformations in the city – now the great majority of residents in the *cement city* are Mozambican – the contrast between the urban (the *cement*) and the suburban (the *reed*) has remained and even sharpened (Araújo, 1999: 177). The former *reed neighbourhoods* are now simply called ‘bairros’ (neighbourhoods), as any other neighbourhood whether formal or informal, to give them the dignity they are entitled to. Informal neighbourhoods are actually the most dynamic and vibrant part of the Mozambican city and the place where the great majority of the population live (see Table 2). According to evidence from Dondo’s neighbourhoods, the creative area where the urban system regenerates itself autonomously lies in the popular margins rather than the official core, which is becoming to a considerable extent less dominant and increasingly obsolete. In Maputo, as in other African capital cities, the formal core dominates, expanding over informal neighbourhoods, pushing people farther to give place to suburban areas over former periurban areas (Araújo 1998 and 1999). The dualism of Mozambican cities is the spatial embodiment of the struggle between capitalist-induced class relations and the prevalent social systems based on kinship relations and proximity to

the land (Mabogunje, 1994). The mercantile genesis of Mozambique's urbanisation, which attempted to replicate the modernist European city model of planning, architecture and way of life, especially during the last period of Portuguese colonisation, in fact projected the divisions and separations operated in society, and urban practice has become the basis for their continuation (Baía, 2011).

Table 2: Urban Population, Development and the Environment in Mozambique Compared to Africa and Developed Regions

| | MOZAMBIQUE | AFRICA | DEVELOPED REGIONS |
|---|------------|--------|-------------------|
| Urban population as percentage of total population, 2005 | 35 | 38 | 74 |
| Urban settlements – percentage of land area | 0.3 | 0.7 | 3.8 |
| Urban population average annual growth rate, 2000-2005 (%) | 4.8 | 3.4 | 0.6 |
| Urban density (per km ² of urban area), 2005 | 2609 | 1589 | 482 |
| Urban population living in slums, 2005 (%) | 80 | 51 | - |
| Urban population with access to improved sanitation, 2004 (%) | 53 | 62 | 98 |
| Urban population with access to improved water, 2004 (%) | 72 | 84 | 100 |
| Energy use, 2005 (kg of oil equivalent per capita) | 427 | 712 | 4937 |
| Carbon dioxide emissions, 2004 (metric tons per capita) | 0.1 | 1.3 | 11.9 |
| Motor vehicles in use, 2000-2005 (per 1,000 inhabitants) | 8 | 31 | 536 |

Source: UN-HABITAT (2008).

Medium-Sized Cities

Despite the fact that issues concerning cities in the developing world are commonly associated with mega-cities, the majority of the world's urban population actually lives in small and medium-sized cities (Hardoy and Satterthwaite, 1986), which are expected to experience the world's fastest urbanisation rates up to 2030 (UN-HABITAT, 2011). According to the same source, the urban population of Mozambique is expected to nearly double from natural growth, migration and classification of new urban areas, from 29.1% in 2000 to 36% in 2025 – 60% of whom will be concentrated in scattered medium-sized cities (see Tables 3

and 4). The city of Maputo will remain the single large urban centre in Mozambique, with almost 2 million residents by 2015, and in 2025 two other cities will join its ranks – Beira and Matola, or Nampula – accounting for just 34% of the urban population. For this reason, in 2020 more than half (60%) of the national urban population will be concentrated mainly in small and medium-sized cities of less than 500,000 inhabitants (see Table 4).

Table 3: Mozambique Demographic Profile, 1950-2025

| | 1950 | 1960 | 1970 | 1980 | 1990 | 2000 | 2010 | 2025 |
|------------------------|-------|-------|-------|--------|--------|--------|--------|--------|
| Rural pop. (thousands) | 6,289 | 7,365 | 8,902 | 10,553 | 10,689 | 12,905 | 16,149 | 20,754 |
| Urban pop. (thousands) | 153 | 280 | 546 | 1,592 | 2,858 | 5,296 | 7,241 | 11,685 |
| Percentage urban (%) | 2.4 | 3.7 | 5.8 | 13.1 | 21.1 | 29.1 | 31.0 | 36.0 |

Source: UN-HABITAT (2012)

Table 4: Mozambique Urban Population, Number of Cities and Percentage of Urban Population

| Settlement size class | 1950 | 1960 | 1970 | 1980 | 1990 | 2000 | 2010 | 2020 |
|--------------------------------|------|------|------|-------|-------|-------|-------|-------|
| 1 to 5 million | | | | | | | | |
| Number of agglomerations | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 2 |
| Population | 0 | 0 | 0 | 0 | 0 | 1,019 | 1,132 | 2,636 |
| Percentage of urban population | 0 | 0 | 0 | 0 | 0 | 19 | 16 | 27 |
| 500,000 to 1 million | | | | | | | | |
| Number of agglomerations | 0 | 0 | 0 | 1 | 1 | 0 | 2 | 2 |
| Population | 0 | 0 | 0 | 550 | 776 | 0 | 1,289 | 1,365 |
| Percentage of urban population | 0 | 0 | 0 | 35 | 27 | 0 | 18 | 14 |
| Fewer than 500 000 | | | | | | | | |
| Population | 153 | 280 | 546 | 1,041 | 2,082 | 4,277 | 4,820 | 5,907 |
| Percentage of urban population | 100 | 100 | 100 | 65 | 73 | 81 | 67 | 60 |

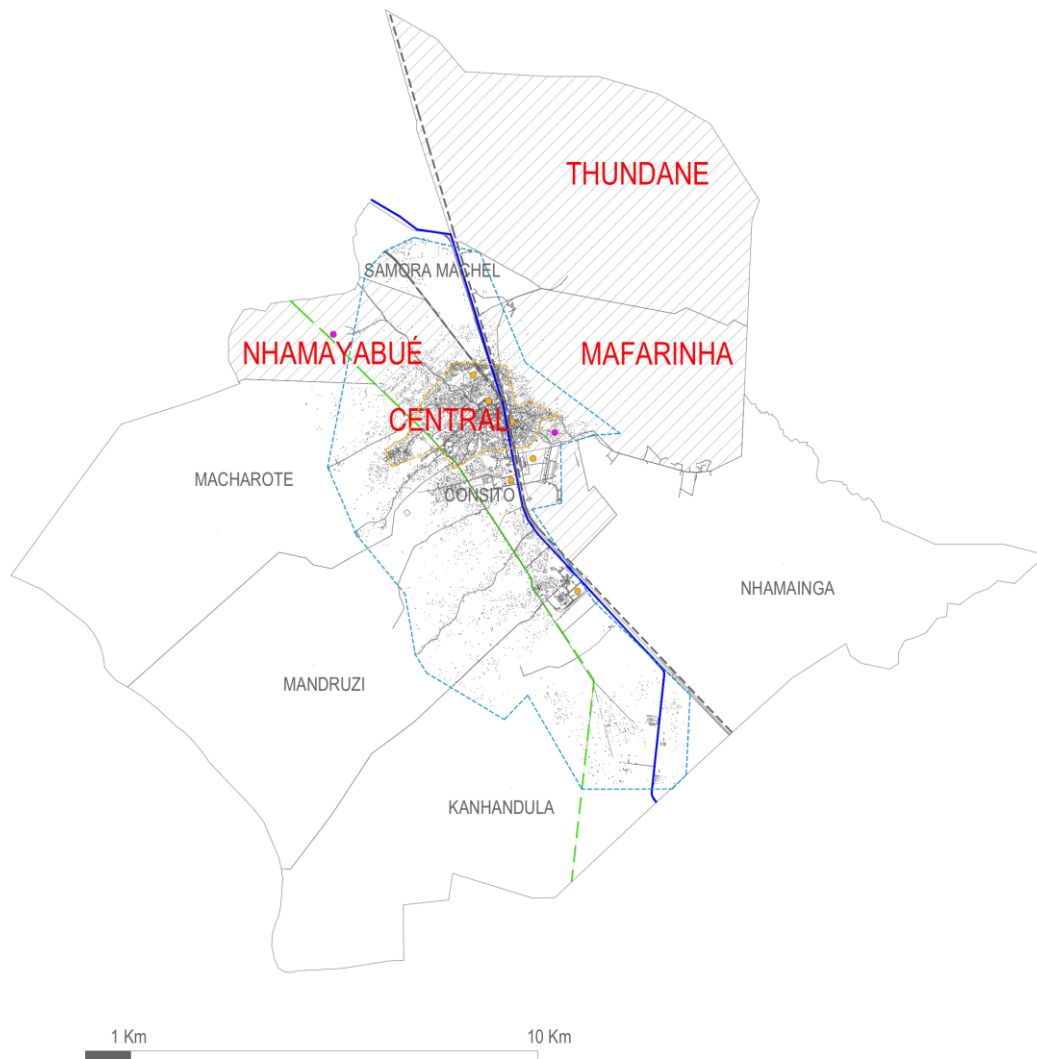
Source: UN-HABITAT (2012)

Although Mozambique has been predominantly rural and the national urban population is still only 35% (INE, 2007), it is now an urbanising nation, driven since independence in 1975, by political and economic change and environmental disaster. This rapid transition from a predominantly rural population to an increasingly urbanised one occurs in small and medium-sized cities rather than in large cities (see Table 5), although the study of the urbanization phenomenon in Mozambique is still dominantly focused on the region of Maputo. Acknowledging Mozambique's urban growth pattern of medium-sized cities is crucial to understanding the emergence of a semi-rural and low-density urbanisation pattern that has proliferated throughout the territory in a scattered network of municipalities, of which Dondo in Sofala Province is an example. Additionally, the fact that the great majority (94%) of the urban population currently live in informal settlements (UN-HABITAT, 2008) highlights the reality neglected by conventional misconceptions of urban development as well as important urban-rural linkages, and also suggests the emergence of a new urbanisation paradigm in Mozambique.

Table 5: Population Estimates by Area of Residence, 1997 and 2007

| | 1997 (inh.) | 2007 (inh.) | ABSOLUTE GROWTH (inh.) | ANNUAL AVERAGE GROWTH (%) |
|--------------------|--------------------|--------------------|-------------------------------|----------------------------------|
| NATIONAL | 16,075,708 | 20,530,714 | 4,455,006 | 2.48 |
| URBAN | 4,601,100 | 6,203,035 | 1,601,935 | 3.03 |
| RURAL | 11,474,608 | 14,327,679 | 2,853,071 | 2.25 |
| DONDO DISTRICT | 117,719 | 142,387 | 24,668 | 2.14 |
| DONDO MUNICIPALITY | 62,424 | 70,436 | 8,012 | 1.35 |
| ALL MUNICIPALITIES | 4,052,274 | 5,361,819 | 1,309,545 | 2.84 |
| MAPUTO CITY | 966,000 | 1,068,607 | 102,607 | 1.01 |
| BEIRA CITY | 405,040 | 418,141 | 13,101 | 0.32 |

Source: INE (2007).



Map 1: Dondo Administrative Boundaries and Selected Case Study Neighbourhoods

Source: Céline Veríssimo over CMD map, based on exploratory field research, 2008.

Land Degradation, Environmental Problems and Climate Change

The main sources of environmental impacts on cities in the developing world are commonly assumed to be related to urban and industrial development. These impacts primarily consist of deforestation, soil erosion and pollution, which generate environmental problems such as disease and physical hazards affecting both human welfare and natural ecosystems (see Table 6). Faced with the gradual environmental degradation of their resource base in rural areas, people are attracted by the idea of progress, jobs and the opportunity to earn an income offered by cities. Once in the city, high unemployment and the shortage of waged work compel people to adjust to urban challenges by making use of their rural knowledge and reinventing traditional forms of production so that they can replicate the natural

environmental conditions they know so well and have always depended on. Through simple but sophisticated strategies, people are not merely adjusting their livelihoods to the challenging scenario found in the city but are actually reconstituting the environment as part of their physical habitat and as a natural pre-condition of life.

Table 6: Environmental Problems in Dondo Informal Neighbourhoods

| | ENVIRONMENTAL PROBLEMS | CAUSES OF PROBLEMS | EFFECTS ON PEOPLE | EFFECTS ON NATURE |
|------------|---|---|--|--|
| URBAN | <ul style="list-style-type: none"> . Poor sanitation and waste management; . Insufficient drinkable water supply; . Water contamination; . Poor house conditions due to infrequent maintenance; . Crime facilitated by lack of public lighting and house security; | <ul style="list-style-type: none"> . Insufficient human and financial resources to comply with needed urban infrastructures and management; . Environmentally unmanaged and uncontrolled waste from industry sector inside residential areas; . Extended and uncontrolled wood industry and forestry business sectors; | <ul style="list-style-type: none"> . HIV/AIDS, malaria, diarrhoea and dysentery; . Lack of fuel; . Shortage of traditional construction material sources; . Seasonal flooding in newly flood prone areas; . Soil erosion (loss of lives, houses, roads and agricultural areas); | <ul style="list-style-type: none"> . Deforestation; . Desertification; . Loss of animal wildlife and biodiversity; . Depletion of natural resources; . Air, water and soil pollution; . Climate change; . Constraints to nature's regenerative life cycle capacity. |
| SUB-URBAN | <ul style="list-style-type: none"> . Seasonal flooding; . Urban soil erosion; | <ul style="list-style-type: none"> . Continuing need of firewood and charcoal as main domestic fuel; . Traditional use of wood as main structural material in house construction; | <ul style="list-style-type: none"> . River and underwater pollution; . Crop loss; . Poverty and hunger; . Longer energy and time consuming distances in search of firewood, charcoal, wood; . Limited capacity and potential for participating in economic development. | |
| PERI-URBAN | <p>MANDRUZI VALLEY:</p> <ul style="list-style-type: none"> . Seasonal flooding and droughts; . Mangrove degradation; <p>THUNDANE:</p> <ul style="list-style-type: none"> . Frequent indiscriminate cut down of trees; . Deficient access ways (swamp soil); . Frequent uncontrolled fires; . Practice of traditional nomadic agriculture; . Furtive hunting of wild animals using traditional weapons. | <ul style="list-style-type: none"> . Deficient management and insufficient natural environment resources; . Some inappropriate cultural habits affecting the management of natural resources. | | |

Source: Based on Administração do Dondo (2006) and observation and primary data collected during fieldwork.

Despite the best efforts of the local authorities, due to their very limited capacity and overload of responsibilities, infrastructures are still inadequate. However, the municipality of Dondo has implemented a new system of participatory budgeting and planning,⁶ which is gradually improving and extending the distribution of basic infrastructures and services. Nevertheless, the unregulated industrial waste freely released inside the neighbourhoods, the insufficient number of upgraded latrines, the continuing use of wells and the use of traditional witchcraft remedies for health problems still facilitate the spread of air and waterborne diseases (District Administration of Dondo, 2006). In addition, climate change has led to an increase in severe seasonal droughts, heat waves and crop losses, alternating with seasonal over-flooding in new flood-prone areas due to soil erosion (IPCC, 2007). On the one hand, this has increased the population's vulnerability to political-economic and environmental crises, whilst, on the other hand, triggering more innovative and resilient livelihood and community organisation strategies.

Transformation of the traditional house unit, reorganisation of livelihood strategies and the emerging Agrocitry

Facing the degradation of their resource base, environmental problems and unemployment, households have transformed their use of domestic space and reorganised production strategies for securing their livelihoods. The outdoor space that traditionally encloses the house and has domestic and social functions, which I have termed the Outdoor Domestic Space (ODS), becomes strategically green and productive in terms of food, income, shade, cool and clean air, and social networking (see Figures 5-8), in order not only to adapt to environmental problems, resource degradation, climate change and political-economic transformation, but in particular to replicate the natural conditions needed to secure livelihoods traditionally attached to nature – “livelihood subsistence strategies are organised and developed by households in a way that allows them to face economic adversity without losing family cohesion and identity” (Costa, 2003: 267).

⁶ Dondo's Municipal Participatory budgeting process was implemented in Mozambique in 1996 by Hemma Tengler and Carlos Roque from the Austrian Cooperation.

Table 7: Family Cultivated Land (Machamba) – Profile by Province, 1996-2002

| Province Machamba Profile | North | | | | Centre | | | South | | | National |
|--|--------|------------|---------|----------|--------|--------|--------|-----------|------|--------|----------|
| | Niassa | C. Delgado | Nampula | Zambézia | Téte | Manica | Sofala | Inhambane | Gaza | Maputo | |
| Total area (av. ha) | | | | | | | | | | | |
| 1996 | 1.61 | 1.37 | 1.40 | 0.98 | 1.60 | 1.83 | 1.87 | 2.31 | 2.03 | 1.60 | 1.51 |
| 2002 | 1.65 | 1.37 | 1.56 | 1.25 | 2.35 | 1.92 | 2.06 | 1.86 | 2.12 | 1.77 | 1.66 |
| Cultivated area (av. ha) | | | | | | | | | | | |
| 1996 | 1.28 | 1.10 | 1.22 | 0.88 | 1.25 | 1.41 | 1.33 | 1.96 | 1.75 | 1.28 | 1.26 |
| 2002 | 1.51 | 1.26 | 1.06 | 1.14 | 2.13 | 1.50 | 1.72 | 1.27 | 1.51 | 1.16 | 1.34 |
| Total area/adult (av. ha) | | | | | | | | | | | |
| 1996 | 0.45 | 0.45 | 0.43 | 0.28 | 0.41 | 0.42 | 0.45 | 0.63 | 0.42 | 0.37 | 0.42 |
| 2002 | 0.47 | 0.45 | 0.54 | 0.40 | 0.69 | 0.48 | 0.55 | 0.53 | 0.60 | 0.50 | 0.50 |
| Cultivated area/adult (mean ha) | | | | | | | | | | | |
| 1996 | 0.35 | 0.36 | 0.38 | 0.25 | 0.33 | 0.32 | 0.33 | 0.54 | 0.37 | 0.29 | 0.35 |
| 2002 | 0.43 | 0.41 | 0.36 | 0.36 | 0.62 | 0.38 | 0.42 | 0.36 | 0.41 | 0.33 | 0.40 |
| Animal traction (%) | | | | | | | | | | | |
| 1996 | 0 | 0 | 0 | 0 | 2 | 9 | 1 | 30 | 37 | 19 | 7 |
| 2002 | 0 | 0 | 0 | 0 | 35 | 11 | 2 | 47 | 44 | 12 | 11 |
| Chemical fertilizer (%) | | | | | | | | | | | |
| 1996 | 6 | 1 | 3 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 1 |
| 2002 | 7 | 3 | 3 | 1 | 15 | 3 | 1 | 2 | 5 | 3 | 4 |
| Manure fertilizer (%) | | | | | | | | | | | |
| 1996 | 1 | 0 | 2 | 8 | 1 | 4 | 1 | 6 | 2 | 2 | 3 |
| 2002 | 4 | 1 | 1 | 1 | 14 | 9 | 2 | 24 | 12 | 15 | 6 |
| Irrigation (%) | | | | | | | | | | | |
| 1996 | 2 | 1 | 4 | 1 | 0 | 8 | 3 | 8 | 23 | 4 | 4 |
| 2002 | 8 | 3 | 2 | 1 | 28 | 22 | 6 | 29 | 27 | 24 | 11 |
| Hired labour (%) | | | | | | | | | | | |
| 1996 | 17 | 17 | 25 | 17 | 16 | 20 | 17 | 14 | 26 | 14 | 19 |
| 2002 | 21 | 22 | 5 | 13 | 31 | 28 | 18 | 19 | 14 | 21 | 16 |
| Owens bicycle (%) | | | | | | | | | | | |
| 1996 | 17 | 7 | 9 | 7 | 8 | 3 | 4 | 3 | 3 | 1 | 7 |
| 2002 | 42 | 20 | 14 | 38 | 36 | 17 | 20 | 4 | 10 | 9 | 23 |
| Owens any livestock (%) | | | | | | | | | | | |
| 1996 | 67 | 49 | 76 | 73 | 80 | 79 | 88 | 89 | 75 | 70 | 74 |
| 2002 | 62 | 66 | 72 | 78 | 85 | 85 | 79 | 84 | 76 | 74 | 76 |
| Owens cattle (%) | | | | | | | | | | | |
| 1996 | 0 | 1 | 0 | 0 | 8 | 9 | 3 | 10 | 16 | 5 | 3 |
| 2002 | 0 | 0 | 1 | 0 | 14 | 8 | 1 | 8 | 18 | 5 | 4 |
| Owens sheep/goats (%) | | | | | | | | | | | |
| 1996 | 16 | 16 | 11 | 5 | 34 | 35 | 35 | 38 | 41 | 21 | 20 |
| 2002 | 15 | 23 | 22 | 11 | 52 | 48 | 42 | 41 | 30 | 27 | 27 |
| Owens pigs (%) | | | | | | | | | | | |
| 1996 | 4 | 6 | 15 | 11 | 19 | 12 | 17 | 47 | 20 | 4 | 16 |
| 2002 | 1 | 9 | 10 | 16 | 18 | 15 | 12 | 45 | 18 | 11 | 15 |
| Owens poultry (%) | | | | | | | | | | | |
| 1996 | 11 | 13 | 22 | 20 | 17 | 18 | 26 | 23 | 29 | 30 | 21 |
| 2002 | 10 | 11 | 11 | 10 | 10 | 16 | 18 | 23 | 26 | 40 | 14 |

Source: Adapted from Boughton *et al.* (2006: 48)

For decades, women of varying backgrounds and places have been cultivating urban farms, known locally as *machambas*,⁷ either in the ODS or in any other available open spaces in the cities of Mozambique (Sheldon, 1999). Despite that fact that most food production is derived from rural *machambas* – the national average area of family cultivated land was 1.66 hectares in 2002 (see Table 7) – evidence from the field demonstrates that urban households in Dondo neighbourhoods depend on urban *machambas* in the Outdoor Domestic Space as an important complementary source of food (see Table 8).

Table 8: Household Dependency Level on ODS for Livelihoods: Food Security and Income

| NEIGHBOURHOOD | Exclusive (sole) source of ... | | Complementary (significant) source of ... | | Supplementary (back up) source of ... | | Only as a source of food and not a source of income | |
|------------------------------|--------------------------------|--------|---|--------|---------------------------------------|--------|---|--------|
| | FOOD | INCOME | FOOD | INCOME | FOOD | INCOME | FOOD | INCOME |
| NHAMAYABUÉ: 32 Households | - | 26 | 12 | 3 | 12 | - | 7 | - |
| MAFARINHA: 25 Households | - | 19 | 8 | 4 | 6 | - | 11 | 1 |
| THUNDANE: 3 Households | 1 | - | 2 | 3 | - | - | - | - |
| TOTAL: 60 households | 1 | 45 | 22 | 10 | 18 | - | 18 | 1 |

Source: Céline Veríssimo (2011).

Urban *machambas* are commonly seen in open spaces throughout the neighbourhoods of Dondo cultivated by households that have a small ODS (Veríssimo, 2010). As a response to scarcity and adversity, this has ensured that close knowledge of the ecological system continues uninterrupted. The process of transforming Outdoor Domestic Space is based on the continuation and reinvention of family-based subsistence lifestyles rather than rupture with the cultural past, and evolves from the traditional Mozambican house typology and collective notion of 'home' – the *muti*. In the *muti*, life takes place outside rather than inside houses and reveals a very strong sense of *domestic urbanity* which is the basis of today's decentralised community organisation of the neighbourhoods developed from the ODS.

⁷ Family cultivation for the household food intake but also for sale in informal markets. In Dondo Municipality, most residents cultivate domestic *machambas* as multicrop food gardens in their house plot in the inner city, or surrounding the house plot in rural areas, while larger *machambas* are located not far in the fertile Pungwe River valley or scattered in inland areas towards Thundane. *Machambas* are not only a vital source of food for the poorest but also the formal income earners.

According to Costa, the multidimensional aspects of urban change can only be understood considering the production of domestic space, which Costa calls ‘home space’, because it shapes African cities through spatial and social practices (Costa, 2011). Probably as a result of this, and given the limited public delivery of services, urban environmental maintenance is collectively managed, and infrastructures and services improvised by the communities in a spontaneous manner to help keep the urban system in balance. Most urban households rely on informal activities improvised from their ODS (see Table 8 and 9): domestic food gardens for subsistence and income, when a surplus allows for this, with improvised stalls and grocers selling basic goods and the typical services a city offers (carpenter, barbershop, tailor, mechanic, etc.) (see Table 10). Thus, ODS is shaping a new ruralised form of urban settlement in medium-sized cities, which I call the *Agrocity*.

Table 9: Average Size of Outdoor Domestic Space Multifunctional Areas

| NEIGHBOURHOOD | PLOT SURFACE AREA (m ²) | No. RESIDENTS (res.) | HOUSE SURFACE AREA (m ²) | DENSITY (m ² /res.) | OUTDOOR DOMESTIC SPACE | | | |
|---------------|-------------------------------------|----------------------|--------------------------------------|--------------------------------|--|--|---|---|
| | | | | | TOTAL ODS SURFACE AREA (m ²) | CULTIVATION SURFACE AREA (m ²) | BUSINESS | |
| | | | | | | | SERVICES SURFACE AREA (m ²) | COMMERCE SURFACE AREA (m ²) |
| NHANMAYABUÉ | 531 | 6 | 53 | 9 | 478 | 122 | 21 | 14 |
| MAFARINHA | 402 | 5 | 38 | 8,60 | 363 | 128 | 7 | 4 |
| THUNDANE | 3967 | 7 | 42 | 6 | 3924 | 3085 | 0 | 1 |
| TOTAL | 1633 | 6 | 44 | 8 | 1588 | 1112 | 9 | 6 |

Source: Céline Veríssimo (2011).

Table 10: Summary of Key Respondents Interviewed (by Communal Unit, Quarter, Gender and Occupation per Neighbourhood) Regarding Production at their ODS

| CASE STUDY NEIGHBOURHOODS | LOCATION | | HOUSEHOLDS ODS | INTERVIEWS | | PRODUCTION AT ODS | | |
|--------------------------------|------------|-----------|----------------|------------|-----|-------------------|-----------|-----------|
| | Com. Units | Quarters | | Women | Men | Agric. | Servic. | Com. |
| B1-NHAMAYABUÉ (urban-suburban) | 9 | 28 | 32 | 26 | 24 | 16 | 25 | 32 |
| B2-MAFARINHA (urban-suburban) | 9 | 23 | 25 | 21 | 17 | 15 | 15 | 23 |
| B3-THUNDANE (periurban) | 1 | - | 3 | 3 | 3 | 3 | 0 | 3 |
| TOTAL | 19 | 51 | 60 | 50 | 44 | 34 | 40 | 58 |
| | | | | 94 | | | | |

Source: Céline Veríssimo (2011).



Figure 5: Tinsmiths – brothers who produce and sell aluminium pans and pots at their ODS in Bairro Mafarinha, Dondo

Source: Céline Veríssimo, 2010.



Figure 6: Pleasant urban environment collectively self-managed in Bairro Mafarinha, Dondo

Source: Céline Veríssimo, 2010.



Figure 7: Domestic urban farming in Bairro Nhamayabwe, Dondo

Source: Céline Veríssimo, 2010.



Figure 8: Gender emancipation and empowerment in Bairro Mafarinha, Dondo

Source: Céline Veríssimo, 2010.

Spatial resilience, resistance and self-reliance: The historical legacy

Historically, the people of Mozambique have faced oppression and social spatial segregation and responded in a way that has reinforced rather than dismantled their traditional values. Since pre-colonial times, the population's strategy for escaping environmental and foreign political disruption has been to reinterpret and reinvent tradition, based on the principles of resilience, resistance and self-reliance. The spatial resistance and resilience expressed through the development of decentralised human settlements, involving the appropriation of land for domestic space and the self-organisation of ODS and neighbourhoods, were strategies to protect the population from successive adversities. During colonial oppression, these strategies were used to counter discrimination, forced labour and taxation, and later, as a reaction to and a rejection of the post-independence Frelimo militarist national development agenda, and recently to halt the Guebuza government's increasingly intolerable food and energy prices.⁸ Following this tradition of popular spatial insurgency and the post-independence urban boom, the Mozambican city has gained more substance and autonomy to enable it to create the conditions for urban survival and improved welfare in times of hardship.

The future of Mozambique's urbanisation would benefit from acknowledging and reinforcing the potential developed by people living in informal neighbourhoods, which has proved more advanced and effective than neo-colonial planning approaches as a means of effectively meeting the real needs of the population and helping them deal with urban challenges. The extent to which ODS is shaping a ruralised urban form challenges the imported postmodern urban planning top-down approaches to the relationship between the expanding informal city, growing urban population and deteriorating environment which, instead of improving urban life, exacerbate social inequality, spatial segregation and urban poverty. Given that the vast majority of the urban population rely on ODS for securing livelihoods, I suggest that through awareness, recognition and collaborative processes, the spontaneous urban expansion contributes not only to a legitimate and more sustainable form of urban development but also to positive environmental change through which society recreates itself linked with nature.

What is initially a social response to crisis inherently becomes a response to environmental challenges too, if the balance between humanity and nature is a precondition

⁸ The 1-2 Sept. 2010 'Maputo Food Riots'.

for survival. Through resilience, decentralised urban space not only has the ability to return to its previous equilibrium in the face of shocks, but can also reinvent a new state of equilibrium. Continued crises in Mozambique have made social systems resilient enough on a basic survival level. Yet, during this process they have gone one step further to move beyond simple survival and create a new dynamic form of equilibrium that is ready to respond to present and future challenges, gradually moving towards a new kind of equilibrium in the relationship between humanity and nature.

Problems underlying the ecocentric-anthropocentric divide

The real causes of environmental degradation, scarce resources, climate change, poverty, world hunger and terrorism are not about the planet having too many people concentrated in the South and the limited capacities of the Earth, since the political and economic factors that produce the uneven distribution of resources and limited access to democratic rights, amongst many other outcomes, are generated by the capitalist economic model to which human civilisation is enslaved. It is definitely not a matter of population, since if everyone were self-organised to work and create well-being in an environmentally friendly manner living in decentralised Agrocities, maybe both the safe continuation of a more democratic civilisation and the regeneration of natural life could be ensured. What was once seen as radical and utopian has now found room for manoeuvre. Conventional sustainable development approaches ignore class exploitation and social inequality and fail to address the problems arising out of the relationship between humanity and nature across societies in nations in the North and South – the core and periphery discrepancies. Society, nature and capitalism are therefore innately incompatible,⁹ and if capitalism endures, efforts to tackle the environmental and social crises will continue to have very limited impact, whilst the gap between nature and society increases.

Research focus & objectives

The proposed ecodevelopment model for medium size cities cannot be based on a formula or a blueprint, which would be contradictory. The Agrocitey model is instead supported by experience gained from reality, which suggests that a safe and democratic continuation of

⁹ Capitalism produces money for commodities through labour, which exploits human resources creating social entropy whilst using energy (negative entropy) and producing waste (high entropy) in constant feedback loops (Biel, 2010).

life systems on earth depends on a transition towards ecosocialism. Therefore, self-organisation of urban space with the Outdoor Domestic Space as the main building block to expand informal neighbourhoods in medium-sized cities in Mozambique is seen here not only as a resilient response by social systems facing continued hardship due to political and environmental change, but in particular as an indicator of an emergent social order that envisages a return to a symbiotic relationship between human settlements and nature. The Agrocitcity is presented as a conceptual model for a sustainable urban development approach that may be considered within the context of spontaneous medium-sized cities and is based on an existing example – the case of Dondo Municipality, Mozambique. As the paper also aims to highlight the important role of agencies and political change as crucial to recognising the significance of collaborative work with the population as a way of ending the current isolation and segregation, I suggest that resilience can be extended to an institutional level as an effective means of tackling urban challenges.

Human habitat and nature

The city is both a spatial product of civilisation and a spatial product of nature in the sense that humanity is part of nature's processes. Moving away from the conventional argument that population growth and urban sprawl are a source of multiple problems, the notion of 'city' in this paper emphasises a symbiotic social connection with nature. This is seen as having the inherent and powerful potential to become a part of the solution to world problems in the 21st century (Lovelock, 1979) that has not been fully explored. The decentralised nature of the case study provides evidence that the informal city can play a vital role in ecological development by contributing towards local economic growth, ecological improvement, enhanced social identity and individual self-respect, mitigation of urban poverty, ecosystems and conservation of resources, amongst other factors. The collective decentralised practices of the dominant Mozambique cityscape prove that the city itself is central to creating opportunities for both human development and natural regeneration, with benefits beyond municipal boundaries. As a result, a city that expands by self-regenerating its own growing natural ecosystem not only improves the quality of the urban environment but also reduces human pressure on natural resources in periurban areas. Challenging the general negative assumptions associated with urban development,

the Agrocit y's low input built environment, agricultural system and consumption pattern can help reduce global warming.

The Agrocit y metabolism

Outdoor Domestic Space is considered here as the individual building block or cell unit in the wider whole, the Agrocit y, whose definition is explored in terms of the details of the larger operative system, its dynamics and overall implications (socio-cultural, economic, ecological and institutional). The cell is resilient and incorporates modern and traditional knowledge, providing the basis for the resilience of the wider system – the human habitat – to shocks. Historically, the human habitat, as a space for production and human concentration, has been viewed as a source of conflict, reaching its peak during capitalism. In contrast, this case study demonstrates that other forms of human settlement and production are possible – the use of ODS, the production process and neighbourhood self-organisation are themselves expressions of the material-energy exchange in the relationship between society and nature. The Agrocit y dissipates social differentiation and power relations, promoting inclusion through collaborative networking. I analyse the Agrocit y metabolism as a self-regulatory system (Girardet, 1996) both separate and derived from technocratic post-modernist (colonial and neo-colonial) urban models connected to wider processes of political and economic historical change (see Fig. 12).

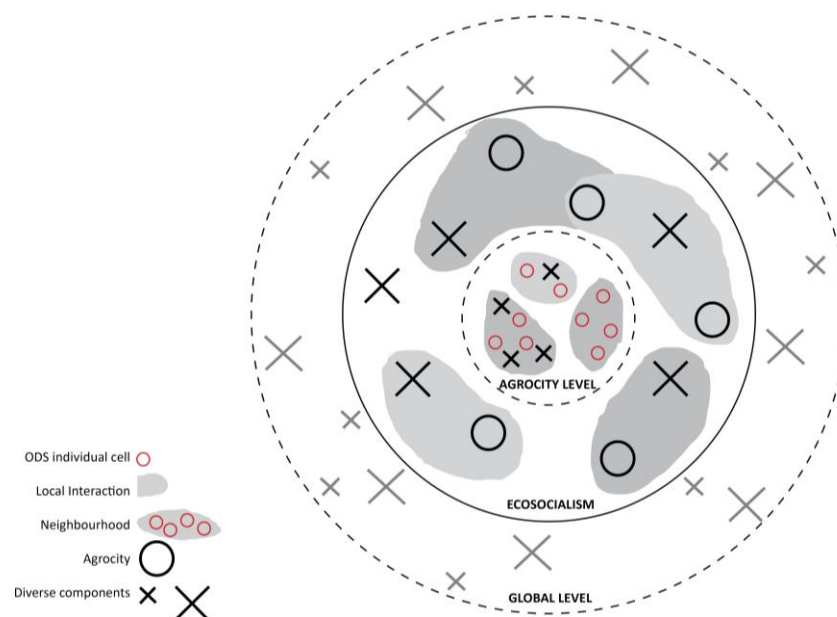


Figure 09: The Agrocit y Metabolism: ODS interaction forming neighbourhoods at local level, and emergent behaviours at global level

Source: C  line Ver  ssimo based on Biel (2010).

Research question & hypothesis

Taking the current global crisis as an opportunity for a civilizational paradigm shift, this paper investigates the inherently symbiotic role of the relationship between the human habitat and nature¹⁰ by asking: *How can a new urban development paradigm that is able to expand freely in balance with both a more democratic development of human civilisation and the regeneration of the planet's ecosystems be conceptualised?* Consequently, the proposed hypothesis explains that: *There exists an emerging (self-organising) informal urban structure, whose basic individual cell or unit is the individual Outdoor Domestic Space-centred household. This system is sustainable (in terms of the different indicators: environmental, economic, socio-cultural, etc.) both at the micro level of the individual unit and at the macro level of the wider ensemble (the neighbourhoods of the medium-sized city). This phenomenon, both at the micro and macro levels studied here, recognisably addresses the same issues addressed by the Ecodevelopment Paradigm. Exploring the convergence between, on the one hand, an ecodevelopment theory liberated from its modernist illusions (which regarded rational planning as the antithesis of emergent order) but still retaining its valid normative orientation and, on the other hand, the experience of spontaneous self-organising urban development as found in Dondo, leads to the notion of the Agrocit*y.

The first part of the hypothesis concerns the urban metabolism in which the individual cell – Outdoor Domestic Space – is the building block of the wider metabolism – the informal city, i.e., the human habitat. From a complexity theory perspective, the characteristics of the whole as an open dynamic system cannot entirely be derived from understanding the individual unit alone, as the cell is not self-contained but interacts dynamically with its parts. Therefore, understanding the complete Agrocit

y model depends on understanding the dynamic relationship between the cell (the ODS-centred household) and the wider system (the community-driven neighbourhoods of the Agrocity).

The second part of the hypothesis is concerned with the sustainability of the Agrocit

y system through the resilience of the ODS cell unified by cultural knowledge. The cell and the larger system are sustainable because households organise their livelihoods from the ODS in a highly adaptable fashion that is able to survive at the level of the Agrocity by combining traditional and contemporary knowledge in the face of crises. For this reason, without

¹⁰ Conceiving of 'humanity' as a part of nature, and the 'city' as the habitat where humans dwell as part of nature's living systems.

cultural sustainability, sustainability at any other level is highly improbable.

The third part of the hypothesis relates to evidence from the case study which feeds into the Ecodevelopment Paradigm by showing how it exists in reality, making it concrete and moving beyond theory to a reinterpreted and ecosocialist-based ecodevelopment model for medium-sized cities.

The final part of the hypothesis is the normative aspect of the Agrocitcity Model, arguing that it should be encapsulated in urban development planning and policy making, not in the conventional modernist 'master plan/blueprint' top-down approach, but in a bottom-up plan that values and reinforces innovative grassroots practices. The role of the state and local economic agencies is important, not in contradicting but in recognising the significance of engaging in collaborative processes with the emerging spontaneous order as a legitimate and necessary step towards mutually beneficial development planning.

Key concepts

Outdoor Domestic Space

Outdoor Domestic Space is a multifaceted space that refers to the external space surrounding the built house and which, in the case of Mozambique, is where daily family activities take place, involving strong social and productive, as well as reproductive, functions (see Fig. 10). To understand why this research uses the terminology ODS instead of the western 'courtyard/backyard', 'enclosure' or 'house plot' it is necessary to first understand the notion of both 'house' and 'home' within the cultural context of Mozambique. The terms 'house', 'home' and 'settlement' have exactly the same meaning and are called *muti* in Ronga and Shangana, the more widely spoken languages. *Muti* can therefore be described as a domestic settlement, or a hamlet, that accommodates a large extended family, with planted trees and several huts, and is usually surrounded by a cultivated area. *Muti* incorporating several generations of family members are no longer seen, unless in remote areas. In rural areas what was in the past a compound containing several houses now consists of three to five houses. Whereas built houses are intended mostly for sleeping in, storage and shelter when it rains, the non-built Outdoor Domestic Space is the centre of the domestic space, where domestic and social life takes place. The boundaries of the Outdoor Domestic Space are very ambiguous, as are the private and public spheres of the domestic space.



Figure 10: Outdoor Domestic Space Transformation and Livelihood Self-Organisation in Spontaneous Neighbourhoods in Dondo

Source: Céline Veríssimo, 2009.

The inherent domestic urban character of ODS facilitates not only the emergence of domestic businesses but in particular the maintenance of important social networks. Most important is the inherited concept of the organisation of space according to functions and components, the collective meaning of 'home', the building materials and technology, and the way these have evolved to respond to new environmental, political, economic and social conditions.

Defined here as the evolution of the traditional *muti* in today's spontaneous urbanisation, Outdoor Domestic Space has been adapted and refined to resist oppression and adversity in a silent revolt to establish collective security. Shaping Mozambican cities, Outdoor Domestic Space is resilient because it is able to adapt domestic space to new (agro and non-agro) productive functions as a strategy to secure livelihoods (food and income) and produce a comfortable and clean domestic microclimate in the neighbourhoods (shade and fresh air). Based on the principles of diversity and flexibility, intensive mixed cropping is combined with livestock, services and commerce in the ODS, adapting domestic food production to climate change and changing political and economic reforms, coping with scarce resources and also generating income. The blurred boundaries between the extended kinship relations that occur beyond household level in the ODS on a neighbourhood community level expand into the city, anticipating the hidden potential of ODS for collective organisation.

The Agrocit

Today's Mozambican urbanism is dualistic (i.e., a clash between formal and informal cities), the result of the continuing dynamics of social spatial fragmentation and differentiation fuelled by undemocratic political regimes. Although the informal neighbourhood is the place where most urban Mozambicans live and work and the neglected legitimate core of city dynamics, there is some permeability between the formal 'cement city' and the spontaneous neighbourhoods, given the flows of people and products that circulate between them. The Agrocit is a reassessment of Mozambican urbanisation based on existing decentralised practices at grassroots level, as found in the neighbourhoods of the city of Dondo, and its definition has both a positive basis (in terms of acknowledging its existing attributes) and a normative basis (in terms of establishing an ideal standard based on existing practices). Just as the ODS public and private spheres are ambiguous, the Agrocit rural and urban dimensions are imprecise because rural areas are spaces 'naturally' transformed by human presence,

whilst in the cities, humans reproduce nature as their own habitat and way of dwelling.

The Agrocitcity is a ruralised form of urbanisation, or a semi-rural urban system with an inherently positive urban ecological performance that is also capable of reducing environmental degradation by optimising and maximising its building block, Outdoor Domestic Space. Whereas Howards' rigidly planned Garden City is rationalized and deliberately sought out (Howard, 1902), as well as other eco-cities,¹¹ the Agrocitcity is a spontaneous self-regulated system that is naturally organic, keeping pace with nature's lifecycles in the quest for survival, well-being and life continuance. During its dynamic process of evolution over time, the Agrocitcity has been operating and resisting the impacts of political, economic and ecological change. One great difference between the conventional dualistic city and the Agrocitcity is the change in polarities – the formal city becomes strategically peripheral with secondary functions, while the informal neighbourhoods are acknowledged to be the genuine core of the city system where the energy flows and dynamics of cultural, socio-economic and ecological relationships are centred. The key components of the circular Agrocitcity metabolism needed to create its own control systems to maintain its ecological balance are intensification of production, population growth, and reproduction of local food, resources and energy through self-organised and self-reliant communities independent of the global economy and state imperatives. While allowing scope for collaborative efforts with official agencies that preserve the inner social structure and organisation intact, thus generating mutually beneficial outcomes,¹² the Agrocitcity demonstrates that urban development in balance with nature is socially, politically and economically possible.

Spatial Resilience

Spatial resilience can be defined here as the spatial transformation that supports the social and natural resilient systems which endure and adapt as a natural reaction to shocks. The ODS inherent ability for spatial diversification and flexibility, i.e., spatial resilience, which has emerged spontaneously to adapt and recover from authoritarian political and economic changes and environmental crises, actually improves the resilience levels of the Agrocitcity

¹¹ Contemporary eco-cities such as Masdar, Tangshan Caofeidan, Tianjin, among others. "From a purely ecological perspective, shanties and their inhabitants are a good example of the new, green urban metabolism. Despite their sanitary and security failings, they often have a social vibrancy and ecological systems that get lost in most planned urban environments" (Pearse, 2006: 3).

¹² E.g., waste management, water distribution, local food production, management of natural resources.

system. The Agrocitry system needs to be resilient in order to regenerate itself following adversity and re-establish the innate balance between humanity and nature, as an 'ecological memory'.¹³ The diversified nature of Outdoor Domestic Space, which includes location, dispersal, isolation, concentration, interrelation and ambiguous private/public dimensions, is also the embodiment of popular resistance to marginalisation. The spatial resilience of the ODS and the Agrocitry highlights the spatial aspects underlying social and natural living systems because it aims to preserve the symbiotic human relationship with nature that is fundamental to securing both the resource base for livelihoods and the regeneration of natural life.

Given the Mozambicans' history of self-reliance, spatial resilience and silent resistance, an ecosocialist revolution is possible since it has already taken place – through the spontaneous appropriation of land, self-management of the environment and free (unplanned) use of space for collective security, subsistence needs, vital social networks and preservation of the natural resource base. The social and spatial resilience deeply rooted in civil society which underlies mutual aid and reciprocal relationships may generate not only opportunities and fertile scenarios for a future eco-development in medium-sized cities, but also bring insights into the analysis of the relationship between society and nature, based on its spatial dynamics.

Conclusion

The way in which Sustainable Development (SD) has evolved and somehow degenerated into multiple biased interpretations, is directly associated with the research problem posed here. This paper critiques SD in terms of its failed attempt(s) to address humanity's relationship with nature, arguing that this might have happened because it tends to accommodate itself to the global capitalism development paradigm. The SD model may only succeed if there is a worldwide paradigm shift in political economy that recognises the importance of natural environmental conditions in restoring emergent grassroots' systems.¹⁴ This is so because their inherently resilient nature has proved successful in enabling them to adapt in the face of adversity in the past, demonstrating that they have a good chance of proving reliable in the

¹³ 'Ecological memory' is the composition and distribution of organisms and their interactions in space and time, and includes the life-history experience with environmental fluctuations. Memory reflects the historical foundation of ecosystem resilience and is a key component of spatial resilience (Nyström and Folke, 2001: 411).

¹⁴ Recognition of emerging systems already exists within the capitalist system but functions in an exploitative fashion. Facing crisis, neoliberalism is moving towards self-organisation in order to become more self-reliant and less vulnerable to external factors such as state control and IT systems.

future, given the challenges of the current world crisis. There are already many development strategies, such as devolution, subsidiarity and participatory strategies, in which the institutional apparatus is gradually recognising and not subverting emerging systems, although opposed to the capitalist mode of production, with the aim of getting rid of dependency from aid programmes. This may partly be an advantage for emerging systems since development aid not only brings benefits, but also corruption and dissimulated external control over the political economy of developing nations (Hanlon, 2010). Collaborative development programmes rather than development aid programmes might possibly be less of a burden, since the aid flows would be smaller and probably more efficient in the field.

Moreover, the paper questions the way in which urban growth and urban challenges in developing cities worldwide are addressed using imported planning methods as if there was a universal urban planning model. These methods might prove effective in their original context but are inadequate in providing equal access to urban infrastructures and services for the urban population in the context of cities in the developing world. According to evidence from the case study of Dondo, foreign models increase urban poverty and social spatial segregation, have an impact on the environment and intensify dualistic urbanisation. Findings suggest that the emergent urbanisation in Mozambique needs to be recognised in terms of its inherent cultural, economic, political and ecological levels as the legitimate core, so that the obstacles created by neocolonial misconceptions can be overcome and social spatial inequality, spatial fragmentation, urban challenges and the degradation of periurban resources can be addressed more effectively.

Findings highlight that the present day use of self-organised domestic space may have important implications in contributing towards securing livelihoods, shaping a semi-rural and green urban territory and reducing human pressure on the natural environment. The fact that daily urban life and livelihood strategies take place in the Outdoor Domestic Space rather than inside any built structure demonstrates that even in cities people can recover the innate human connection with nature or, as in the case of Dondo, the urban setting is the new ground where they continue to develop this relationship with natural processes because of the continued need to preserve the natural resource base in order to secure livelihoods. Although cultural knowledge may be deceptive when the vitality underlying its origins and essence is replaced by static conservatism and even backwardness, it appears so far to have satisfactorily preserved the symbiotic relationship between the human habitat and nature.

The definition of the Agrocitcity proposed here simultaneously critiques both capitalist modernism in terms of its predatory actions and obsolescence, and socialism, in terms of Frelimo's post-independence democratic centralism, dictated by both internal and external factors. Ecodevelopment involves an ecosocialist transition that is considered here as having already taken place spontaneously. This is expected to raise awareness among decision-makers and planners, and inspire others who believe, as I do, that cities are more than places for the unequal distribution of wealth, production, poverty, accumulation and waste. Although cities are commonly known as sources of environmental disruption, they also have the ability to function as a driving force in balancing the relationship between human civilisation and nature.

Revised by Teresa Tavares

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The Political Economy of Consumption and Household Debt: An Interdisciplinary Contribution*

This article offers a critical review of the literature on consumption and household debt, with the aim of identifying the main contributions and drawbacks of disciplinary approaches for understanding the multiple factors that influence these important forms of socioeconomic behaviour. On the basis of this literature review, the authors propose an interdisciplinary line of research within political economy that places particular emphasis on structural factors such as the recent transformations in contemporary capitalism, which have led to an extraordinary growth in the economic and political power of finance. It also foregrounds relevant social changes such as the increasing dominance of the neoliberal ideology, which promotes an individualisation of the provision of goods and services that favours the financial sector.

Keywords: consumer; consumer behaviour; consumer credit; personal finances; consumer society.

1. The fragmentation of the study of consumption and household debt

Given its importance in contemporary societies, consumption is nowadays a subject in its own right in various fields of the social sciences. This recognition has coincided with the emergence of consumer behaviour studies, which has sought to establish itself as an interdisciplinary field, in particular since the 1970s. Household debt, on the other hand, has been a subject of recent interest, stimulated by the financial crisis of 2007-2008 which highlighted the relationship between decision-making, household behaviour and the functioning of the financial system.

Research into consumer behaviour and the so-called consumer society is, however, very segmented. Approached from the prevailing perspectives in each discipline, this study foregrounds their theoretical and methodological preferences. In focussing on the individual, psychology, for example, studies the way in which consumers process information about products traded on the market and make decisions which are to a greater or lesser extent deliberate. Sociology, on the other hand, has highlighted the symbolic content of consumer products and their role in affirming the status or social position of various classes or social

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groups. Even the approaches that aim to transcend disciplinary constraints fall victim to this rigid compartmentalisation, revealing the dominance of certain disciplinary fields.

Although, taken as a whole, these analyses have the merit of exposing the complexity and range of factors that determine consumption – ranging from sociological variables such as social status to psychological variables such as attitudes and habits, or cultural variables such as taste and meaning – they have nevertheless failed to promote any genuinely inter- or transdisciplinary dialogue (Fine and Leopold, 1993; Fine, 2002).

This article argues that the political economy approach favours this dialogue among the social sciences, allowing for a more wide-ranging analytical framework in which structural transformations are interlinked to important cultural changes that are highly relevant to the analysis of consumer decision-making and behaviour and household debt.

In the classical tradition ranging from Adam Smith to Karl Marx, amongst others, political economy is conceived of as the interdisciplinary study of the economy which positions it within its social and political context, thus taking into consideration the power structures which determine the way in which resources are produced and distributed amongst the various social classes, as well as the cultural environment, assuming that relationships based on production and exchange at any given historical moment always contain the potential to transform underlying values and social norms. The approach of political economy therefore contrasts with that of conventional economics, which isolates the economy from its social and political context, thus distancing itself from the other social sciences. It does so by adopting methodological individualism, taking the individual as the elementary unit of analysis, disregarding social categories such as class and structure, and endorsing abstract, universally applicable principles such as the utility maximisation principle, thus ignoring the specific nature of the decision-making problem as well as its social and political context and relegating them to the realm of other social sciences. It also reduces the scope of analysis to market supply and demand, seeing markets as neutral, homogeneous and indistinct mechanisms for allocating resources that require no consideration of the social and political context in which they operate (see Milonakis and Fine, 2009).

These weaknesses in conventional economics are very evident in its analysis of consumption and household debt. Although they are central analytical categories, conventional economic theory has not paid sufficient attention to these important forms of economic behaviour, reducing each and every consumer act, as well as recourse to credit, to

a standard problem of individual utility maximisation. As will later be seen, although contributions from other social sciences, namely psychology, have been incorporated into the research programme of the recently established field of behavioural economics, these developments have not contributed to any significant change in the conceptual and normative framework of the dominant approach. Thus, such developments still do not provide the analytical resources needed to establish a productive dialogue with the other social sciences, which would, in turn, contribute towards a broader vision of consumption and household debt.

Perhaps as a result of this lack of interest on the part of mainstream economics, together with its greater emphasis on the sphere of production, heterodox economics has also failed to study consumption and household debt in a systematic way.¹ It is only very recently that some approaches within political economy have addressed the developing relationships between households and the financial sector as part of a broader phenomenon that has been generically termed financialisation (Ertuk *et al.*, 2007; dos Santos, 2009; Lapavistas, 2009; Montgomerie, 2009). The study of consumption and debt is therefore in a very embryonic phase, having identified major trends without grounding this in any deeper analysis of the relationship between the two phenomena, the various forms it assumes in different contexts and their impact on different social groups.

This article provides a critical review of the literature, aiming to identify the main contributions and drawbacks of the approaches used by the various disciplines to understand the multiple factors which influence consumption and household debt. On the basis of this literature review, it proposes a line of interdisciplinary research within the framework of political economy that is capable of identifying the factors and relationships which, if analysed in greater depth, would contribute towards a more accurate understanding of consumption and household debt.

2. The isolation of the conventional economics approach to analysing consumption and household debt

The origins of consumer theory, stemming from the conventional economics approach, dates back to the Marginalist school of thought in the 19th century which saw human beings

¹ Naturally there are exceptions, particularly in the common ground between sociology and economics, as will be seen later.

as individual utility maximising agents. Given a certain set of tastes or preferences, income and price of goods, the problem facing the consumer was that of composing the basket of goods that would maximize his/her individual wellbeing. This decision-making problem was not distinguished from other economic problems, namely decisions made by producers who, given a particular budget allocation, level of technology and prices for raw materials and outputs (which are assumed to be defined under competitive conditions), aim, in the same way, to choose the level of production that will enable them to maximize profits. In other words, as Fine and Leopold note (1993: 46), economic science has not presented a genuine theory of consumption that can reveal its specific nature and distinguish it from the sphere of production. The utility maximisation principle is applied to any agent, each and every decision, all types of goods and any period of time.

The rationality assumption, i.e. the notion that agents are effectively capable of maximising their wellbeing, in turn dismisses both the process of decision-making and the determinants of consumption as irrelevant. Whilst, on the one hand, elements which are not explained by the theory of rational choice are considered only minor 'deviations' from standard behaviour and therefore of no interest to economics, the subjectivist concept of utility, evident in the expression "*De gustibus non est disputandum*" ("there is no accounting for taste") popularised in an influential article by George Stigler and Gary Becker (1977), prevents any discussion of the choices made. This means that any analysis of the process of creating preferences remains outside the sphere of economics and is considered an individual matter, independent of previous or later consumer decisions and behaviour. Individual decision-making processes are also excluded, since optimising behaviour is assumed, as well as activities dedicated to acquiring and enjoying commodities. The disregard for all these aspects, given its heavily reductionist nature, explains the self-exclusion of economics from attempts at building a genuinely interdisciplinary theory of consumption, as well as less demanding multidisciplinary endeavours (Fine and Leopold, 1993).

Decisions concerning credit and long-term consumption are also approached as a problem of individual utility maximisation. According to the life-cycle hypothesis (Modigliani and Brumberg, 1954), consumers aim to ensure a uniform level of consumption throughout their lives. This (and, by implication, savings) is determined at any given moment by current wealth and income, expectations of their future evolution and life expectancy. This theory

therefore envisages that individuals save during periods of high income (in middle age) and resort to debt and savings at times when their income is lower (at the beginning of their working life and after retirement). From this perspective, indebtedness at the beginning of a career is rational, since the expectation of a rise in income during the course of professional life will enable individuals to support the burden of debt and, at a certain point, start saving for their retirement.

Similarly, the permanent income hypothesis (Friedman, 1957) also assumes that consumption depends on expectations relating to the total income (not current disposable income) which individuals expect to earn during their lives, and that the temporary fluctuations it may experience have no impact on consumption. From this point of view, individuals consume a steady proportion of their permanent income, determined by their wealth and level of education, which in turn depend on their individual capacity to generate income during their lives. Even though it does not indicate the point at which it is rational to resort to credit, as the life-cycle hypothesis does, it is once again assumed that indebtedness is the result of a rational decision aimed at maximising intertemporal utility, now based on the wealth and income expected during the life cycle.

These analyses offer abstract arguments which aim to justify the rationality of credit and consumption decisions, whilst disregarding contextual and historical factors. They also ignore the fact that the relationship between households and the credit market depends on countless conditions, such as the criteria for granting loans, which make them inaccessible to certain households (for example, ownership of assets that may serve as collateral), or intrinsic uncertainty surrounding future income, which restrains individuals and households from entering into debt (Levine and Kehoe, 2001).

The increasing involvement of individuals and households in the financial markets as small investors has in turn stimulated a recent interest in individual financial decision-making and has led to a new line of research known as household finance (Campbell, 2006; Guiso and Sodini, 2012). Once again it can be seen that the analysis of individual financial decision-making involves applying conventional theoretical resources to new problems, such as the portfolio theory whose seminal contributions date back to the work of Harry Markowitz (1952) and James Tobin (1958), originally designed to describe the behaviour of financial analysts, not individuals and households. According to these models, financial investors, including both professional investors and ordinary citizens, as rational agents, should choose

a portfolio of financial assets according to their preferences (determined by a greater or lesser aversion to risk), thus maximising individual utility.

In terms of credit decisions, recent work has focussed on analysing the isolated effect of replacing certain assumptions contained in the intertemporal consumption model (*e.g.* composition of the household, socio-demographic characteristics, uncertainty regarding the future, constraints on liquidity), whilst continuing to regard consumption and, indirectly, credit, as a problem of optimisation subject to restrictions (Bertola *et al.*, 2006). Credit is still seen as a mere instrument, although a necessary and desirable one, for maintaining a stable pattern of consumption throughout the life cycle of individuals, allowing for redistribution between periods of high and low income. From this point of view, it is rational to enjoy higher levels of consumption than the disposable income permits by resorting to savings or credit. This means that conventional economics not only fails to distinguish between consumption and production, but also between consumer decisions and credit decisions, viewing the latter as part of consumer decision-making, whose main determinant is income.

Supported by ideas of rationality and market efficiency that are central to conventional economics, rising household debt in the most developed capitalist economies during the past two to three decades has been interpreted as the result of rational decisions made by consumers who know how to take advantage of easier access to credit at a historically low cost, following the significant expansion of credit after decades of financial liberalization and technological innovation in the sector. Rational consumers, guided by intertemporal preferences, simply responded to new economic incentives (for a critical analysis, see Ertuk *et al.*, 2007; Barba and Pivetti, 2008; Crotty, 2009; Cynamon and Fazzari, 2008).

The collapse of the US subprime market which had targeted the low-income sections of the population and the spread of its effects to financial markets throughout the world in 2007-2008 disturbed the dominant discourse.² From the above, it is perhaps not surprising that this theoretical framework contributed to an evaluation of the financial crisis as partially caused by behaviour which deviated from the norms of rationality, namely an incorrect assessment of the risks associated with credit. However, as will later be seen, other

² Whilst this market segment refers mainly to loans for purchasing homes, the severity and extent of its effects have led to calls for attention to rising household debt, in total and itemized, over the last two to three decades.

theoretical perspectives that take the historical context of contemporary capitalist societies into account offer alternative explanations.

3. Behavioural economics: the dialogue with psychology and the selective revision of behavioural assumptions

Psychology also approaches consumption from the point of view of the individual. However, this discipline adopts a broader perspective, both with regard to human rationality and the motives underlying the choice of a wide range of consumer goods. Rather than restricting consumer behaviour to utility maximisation, psychology seeks to identify the multiple factors that influence choice and is interested in the various decision-making processes, ranging from deliberate choices, based on calculating the costs and benefits of the various available options, to more impulsive forms of behaviour.

These multiple approaches and areas of research reflect an interest that has its origins in the emergence of the discipline at the end of the 19th century and its establishment in the first half of the previous century, up to the founding, in the 1960s, of consumer psychology as branch of applied psychology. One illustration of this is the creation, in 1962, of the Consumer Psychology Division within the American Psychological Association and the publication during this period of textbooks on consumer behaviour which would define teaching and research in the field (cf. Schumann *et al.*, 2008). This area of study was finally consolidated with the launch, in 1992, of *The Journal of Consumer Psychology*, dedicated to publishing research which “applies the perspectives of psychology to the study of the consumer,” thus replicating its lines of research in this area (e.g. judgement and decision-making processes, the affective, cognitive and motivational determinants of behaviour and attitude formation and change, amongst others).³

However, in the recent state-of-the-art review in the *Handbook of Consumer Psychology*, perhaps reflecting the growing influence of consumer behaviour studies, this research programme is presented as an area which combines psychology, marketing and advertising, whose objective is to contribute towards “a better scientific understanding of cognitive, affective, and behavioural responses to products and services, the marketing of these products and services, and societal and ethical concerns associated with marketing processes” (Haugtevedt *et al.*, 2008: ix).

³ Consulted on 02.04.2013, at <http://www.journals.elsevier.com/journal-of-consumer-psychology>.

In fact, under the auspices of the *Association for Consumer Research*, the field of consumer behaviour was officially founded in 1969, seeking to combine contributions from various disciplines, namely psychology, sociology, anthropology, economics, linguistics, critical theory and statistics, which share the same research objectives.⁴ Despite its openness to contributions from various disciplinary backgrounds, this area of study did not establish itself as an inter- or transdisciplinary field. On the contrary, consumer behaviour studies remains multidisciplinary, accepting contributions from a variety of disciplines, which makes it fragmented in nature. It is defined, in general terms, as the analysis of consumer behaviour, namely the acquisition, enjoyment and display of market products and services and the experiences associated with these activities (Macinnis and Folkes, 2010).

There is, however, a presumption that this multidisciplinary area is mainly influenced by marketing. Efforts to establish the field of consumer studies were, in fact, part of a strategy designed to separate this programme from negative associations with marketing, although the latter still remained one of the key areas behind the programme (*ibidem*). However, its disciplinary background is evident in the main lines of research, namely psychology, economics, sociology and anthropology, which include the following: information processing (including analysis of emotions, attitudes, memory and conscious and unconscious processes), behavioural decision theory (including neuroeconomics, the heuristics and biases programme, intertemporal choice, normative decision-making and judgement under uncertainty) and, finally, consumer culture theory (encompassing questions of identity, marketplace cultures and ideologies and socio-historical influences) (*ibidem*). Fine and Leopold's claim that research in this area reflects separate applications of the individual disciplinary traditions therefore seems accurate, with each operating as isolated Kuhnian paradigms to the extent that the nature and the explanation of consumer behaviour is understood differently by the various disciplines (1993: 41).

It should also be noted that credit is not identified as a relevant topic in any of these critical reports or in studies on consumer behaviour and overviews of the recent evolution of consumer psychology. The fact that none of the 47 entries in the *Handbook of Consumer Psychology* deals with the subject of credit speaks for itself. However, contributions from psychology can be found in the behavioural economics research programme, which aims to incorporate more realistic assumptions concerning human behaviour into the economic

⁴ Consulted on 02.04.2013, at <http://www.acrwebsite.org/web/about-acr/acr-history.aspx>.

analysis, linking consumption and recourse to credit in its research into intertemporal decision-making.

The seminal studies on behavioural economics date back to the 1970s and the work of Daniel Kahneman and Amos Tversky and other psychologists such as Paul Slovic (Kahneman and Tversky, 1979; Tversky and Kahneman, 1974; Kahneman, Slovic and Tversky, 1982), dedicated to empirical and primarily experimental testing of behavioural assumptions of conventional economic theory, namely the expected utility hypothesis and the discounted utility hypothesis, which aimed to provide “a theoretical framework that can be applied to almost any form of economic (and even non-economic) behaviour, and makes refutable predictions” (Camerer and Loewenstein, 2004: 3).

This research presented a very significant set of behavioural patterns which systematically diverged from the presuppositions and predictions of conventional economic theory, understood in the literature as behavioural ‘anomalies’.⁵ According to Tversky and Kahneman (1974), many of the errors identified in the calculation of the probability of future events are due to the use of heuristic procedures, i.e. rules which simplify and facilitate the decision-making process but sometimes lead to failures which are systematically repeated, identifying three important heuristic categories: representativeness, availability and anchoring.⁶ These errors may also be due to a wide range of factors which interfere with choice, such as the language used to describe the problem of decision-making (known as framing) (Tversky and Kahneman, 1981).⁷ These findings were later formalised in prospect theory, a descriptive theory of decision-making in situations of risk which emphasises the influence of the *status quo* and other reference points for individual choice (Kahneman and Tversky, 1979).

Of particular relevance to this discussion is the analysis of intertemporal choice, which refers to all decisions whose effects are distributed across a relatively broad time horizon, with consumption and credit naturally forming part of these decisions (Loewenstein and Thaler, 1989). According to the discounted utility model, the decision-maker aims to

⁵This research led to the “Anomalies” column published in the prestigious *Journal of Economic Perspectives* between 1987 and 1990, later systematized in Thaler (1992).

⁶For example, the heuristics of availability means that people are often influenced by information that is more easily selected by memory, such as information relating to recent events, rather than other relevant factors such as the frequency of these events.

⁷For example, people react differently according to how clearly the decision-making problem reveals the associated losses or gains, with a greater propensity to risk evident in contexts in which the losses are more salient.

maximise total utility through consumption on a temporal horizon associated with the decision-making problem (which, unlike the life-cycle and permanent income hypotheses, does not have to coincide with the consumer's life cycle). This model assumes that individuals prefer consuming in the present rather than in the future, which implies that consumption of a particular commodity in the future provides a lesser degree of utility, and this is discounted at a constant rate which expresses the individual intertemporal preference. The model offers an explanation of consumption which is independent of (present and future) income and, indirectly, of credit, and is based on an additional set of assumptions, such as the presumption that the utility obtained within a given period is independent of the utility in other periods (meaning that the consumer has no preference for a stable or varying pattern of consumption if the sum total of utility remains the same), or that intertemporal preference is independent of the type of goods (meaning that consumers apply the same discounted rate to all consumer goods) (Frederick *et al.*, 2002).

The results of various laboratory experiments and other empirical studies show that a large part of these assumptions have no empirical basis, revealing that intertemporal choice is affected by a varying set of factors depending on the type of consumer goods, the time horizon associated with the decision, the way in which the decision is presented (the framing effect), the individual starting point (the endowment effect), the characteristics of decision-makers, etc. (*ibidem*).

One of the most significant results is the apparent conflict between short- and long-term preferences, which may result in dynamically inconsistent choices. In other words, although they reveal a desire to commit to long-term plans that imply some sacrifice in the present (for example, saving implies renouncing consumption in the present), difficulties in pursuing these objectives in the long term are frequently encountered (i.e. people consume when they plan to save). On the basis of these results, Laibson (1997) suggests that individuals follow the hyperbolic discount model in which results in the near future are discounted more than results in the distant future (i.e. the discount rate diminishes over time), which may lead to regret at not having adopted the desired course of action from a long-term perspective.

This interpretation is, nevertheless, open to question. Loewenstein (1996) and his co-authors (Loewenstein *et al.*, 2003) attribute the apparent intertemporal inconsistency to the interference of visceral factors (such as emotion and pain) which, in certain circumstances,

make people particularly vulnerable to impulsive behaviour. From this perspective, the apparently inconsistent behaviour is due to the effect of contextual and momentary factors rather than a genuine change of preferences. Moreover, other studies have emphasised that some individuals are able to remain true to their long-term plans, even revealing a sense of anticipation, and protect themselves against likely problems of self-control by committing in advance to a particular course of action. One example of this is the purchase of illiquid assets as a means of containing current expenditure (e.g. house buying), or strategies that avoid exposure to temptation (such as not owning a credit card) (Laibson 1997, 1998). From this perspective, recourse to housing loans may represent an “enforced savings” mechanism for households, even though it involves a particular cost (interest payable) and not a gain (interest receivable), unlike savings products.

Another mechanism commonly used to deal with this type of problem is ‘mental accounting’, which involves the differentiated categorisation of sources of income and expenditure. According to Shefrin and Thaler (1988), people distribute their income into three separate mental accounts: current income, derived from work; current assets, the return on capital; and future income which, as its name suggests, refers to income expected to be obtained in the future from work or savings. As each account is associated with expenditure and rules for use, individuals manage to pursue different objectives, using the current income account for consumer spending whilst preserving the other accounts. This research has inspired various proposals, such as “Save More Tomorrow” by Thaler and Benartzi (2004), which channels part of the future income of workers into a pension fund for use on retirement. The proposal aims to resolve inconsistencies in behaviour, drawing on conventional economics but involving a different understanding of consumption and credit. It is now assumed that consumer decisions and consequently recourse to credit are not necessarily rational but may nevertheless be corrected by (voluntary) mechanisms which discipline individual behaviour.

Similarly, but focussing on the role of the socio-cultural context of the most advanced capitalist economies, analyses from the field of anthropology and sociology also emphasise the role of self-discipline, partly attributing this to representations of consumption in contemporary culture, which stress the benefits of planned consumption whilst also legitimizing occasional hedonism. Consumption, savings and self-control should therefore be understood within a broader framework, since “these problematics are as rooted in the

economy, society, and culture of contemporary capitalism as they are in the human mind” (Starr, 2007: 277). Following the same line of argument, various authors have noted the self-disciplinary role, if not social control, of credit, stressing that household debt intensifies the dependency of the salaried worker as a result of assuming a medium/long-term commitment to creditors (Calder, 1999; Langley, 2008). As Lendol Calder states, “if there is hedonism in consumer culture, it is a disciplined hedonism” (1999: 31).

These contributions from the fields of anthropology and sociology suggest productive lines of research for the interaction between decision-making and the socio-cultural environment, questioning interpretations which view individual and household debt as the result of inadequate individual choices. Although the analytical framework for behavioural economics is malleable enough to accommodate contextual factors, preserving the concept of rationality restricts the assessment of deviations from assumptions and theoretical predictions to errors of calculation. The argument that rising household debt is due to greater difficulty in exercising self-control, given easier access to forms of “instant” credit such as credit cards, is illustrative of this (Laibson, 1997). In short, these additions to the dominant theoretical framework appear to constitute a selective form of appropriation which disregards other interpretations and debates on meaning and significance in order to conform to the prevailing canons. In the case of behavioural economics, the social and institutional context is included in the analysis without questioning the rigid concept of rationality, thus viewing any phenomenon which escapes this straitjacket as “deviation”, “error” or “anomaly.”

It is therefore unsurprising that behavioural economics has been mobilised to justify policies which focus on improving decision-making, including individual and household decisions on credit and savings. In addition to those already mentioned, another example which illustrates this is the financial literacy programmes recently introduced in the more developed capitalist economies, whose aim is to prepare consumers to assume greater individual responsibility for planning in advance for retirement and protection against unforeseen events, objectives which have become more pressing since the financial crisis.⁸ Despite the merits of initiatives which help provide more information and financial education, the focus of the consumer protection policy in these areas of intervention

⁸ In the case of Portugal, see the presentation of the National Financial Literacy Programme by the National Council of Financial Supervisors (2011).

inevitably puts the onus on individuals, associating financial difficulties with uninformed and misguided choices made by consumers (Willis, 2008).

However, it cannot by any means be concluded from this that the problem lies in an excessive focus on internal individual processes, far less in disregarding the contributions of psychology, which also places a great deal of attention on individual decision-making processes. It is rather that the normative model of rationality in economics has restricted the incorporation of important contributions from psychology, selectively adopting those which best fit the prevailing conceptual and normative framework. In effect, psychology offers perspectives which are an alternative to rationality, including models which view the latter as contingent to context and see heuristics as cognitive instruments which are rational, efficient and appropriate for the context of choice, rather than obstacles to rational choice (Gigerenzer and Selten, 2001). These models also acknowledge a broader set of policy measures which include intervening in the institutional context in order to adapt it to the real circumstances and characteristics of human beings, rather than attempting to turn them into calculating machines by offering financial education. This, in turn, implies studying factors which extend beyond individual decision-making.

4. The sociology of consumption and its shared origins with political economy

In comparison with psychology, the apparent delay in the emergence of the sociology of consumption is perhaps surprising. The lack of any specialist section within the American Sociological Association is symptomatic of the position adopted by sociology, unlike psychology, where it has been recognised since 1962. This claim only emerged in 2011, when the first proposal to create a sociology section was presented. Confirming the predominance of economics, psychology and marketing, the proposers cited the relevance of sociology to the study of consumption, arguing that it draws on themes which have always been at the heart of sociology, such as power, inequality, social differentiation, structure and agency relations and the interaction between individual behaviour and social phenomena (Cook *et al.*, 2011).

It is therefore not surprising that it shares a set of theoretical concepts with political economy, which problematised early on the issue of the commodification of goods essential to human life and their growing importance in everyday life. Obvious cases in point are *Capital* by Karl Marx (1976 [1859]), which developed the influential idea of commodity

fetishism, alluding to the transformation of social relations into an apparent relationship between objects, and *The Theory of the Leisure Class* by Thorstein Veblen (1973 [1899]), which proposed the productive concept of “social emulation” to designate the conspicuous consumption of goods as a means of displaying superior social status. A further relevant reference is *Capitalism, Socialism and Democracy* by Joseph Schumpeter (1970 [1943]), which highlights the process of the automatic expansion of emerging and created needs as higher standards of living are achieved. These are deemed to give rise to “heterogonic objectives,” turning the state of satiety into a moving, and therefore unattainable, target. The common interests have continued to the present day in the area which brings economics and sociology together, namely the analysis of the interaction between individual and aggregate forms of behaviour, specifically in the work of the economists John Kenneth Galbraith (1998 [1958]), Fred Hirsh (1976) and Robert Frank (1985, 2007).

The causes for the apparent delay in establishing the sociology of consumption can be found in the “productivist bias” of the discipline, which may also apply to political economy, and which emphasized the “analytical categories, nomenclature and concepts forged by the ‘founding fathers’ of the social sciences in the late nineteenth century and early twentieth century, who sought mainly to deal with the problems and consequences of production and the social organization of an emerging industrial order.” Consumption was therefore seen as “the endpoint of a production sequence [...], rather than as integrally intertwined with social-material processes” (Cook *et al.*, 2011: 1-2). Sociology, favouring the study of production and distribution, considered the study of consumption to be of secondary importance, relegating it to more marginal fields such as culture, gender, family and inequality (Zelizer, 2005).

However, the social sciences soon began to draw on works that extended beyond the production, transaction and material dimensions and use of goods. One of the main references in the sociology of consumption is *The Theory of the Leisure Class* by Veblen, which, in focussing on the emerging North American middle class at the end of the 19th century, argues that the position an individual occupies in an industrialised society depends on forms of displaying “pecuniary strength,” namely leisure and conspicuous consumption, the latter determined by the “accepted standard of expenditure in the community or in the class to which a person belongs” (1973: 111).

From this perspective, consumption does not reflect individual preferences or idiosyncrasies but mirrors the social context in which individuals find themselves, which supplies the prevailing norms for consumption, especially those set by the so-called leisure class. Nor does it conform to individual budget restrictions, given that any deviation from these consumer norms is seen as a serious affront to personal dignity. In effect, “conspicuous consumption of valuable goods is a means of reputability to the gentleman of leisure,” since “the gentleman not only consumes beyond the minimum required for subsistence and physical efficiency, but his consumption also undergoes a specialisation as regards the quality of the goods consumed” (*ibidem*: 73-74). In addition, competition for social status means that the lower strata also seek social affirmation through conspicuous consumption and find themselves engaged in an incessant quest for the acquisition of goods associated with the social strata immediately above them, which in turn seek new luxuries in an attempt to preserve their social status. However, the search for status through consumption never ends, given the ongoing need for social affirmation and differentiation.

These contributions have been mobilised to explain the growing recourse to consumer credit in recent years, especially in the USA. According to Scott (2007), conspicuous credit can now be seen as the counterpart to Veblen’s conspicuous consumption, with growing inequality and changes in the norms of consumption driving individuals towards credit, thus explaining the growing problem of over-indebtedness in US society.

In his work *Distinction: A Social Critique of the Judgement of Taste* (1979), Pierre Bourdieu, considered one of the main contemporary theoreticians of the sociology of consumption, explores the relationship between social classes and consumer practices, introducing into the analysis the role played by cultural and social factors in marking social differentiation. He argues that “the aesthetic disposition [...] is also a distinctive expression of a privileged position in social space,” and that “being the product of the conditionings associated with a particular class of conditions of existence, it unites all those who are the product of similar conditions while distinguishing them from all others” (Bourdieu, 1984: 49). Bourdieu not only considers the relevance of these factors, but also attributes a key role to them, claiming that “aversion to different life-styles is perhaps one of the strongest barriers between the classes” (*ibidem*: 56). In Bourdieu we therefore find an analysis which complements that of Veblen, whilst also emphasising the role of the norms of consumption

that not only explain consumption itself but also the use of credit which, in a context of rising inequality, does not depend on income and material wealth alone.

Other approaches emphasise the relevance of the social group to which the individual belongs. James Duesenberry (1949) analysed intraclass consumption comparisons, a phenomenon popularly described by the expression “keeping up with the Joneses.” Focussing on post-war America, he argues that the rise of the middle class, in contributing to the growth of the suburbs, favoured neighbourhood social relations. These social relations, in relatively homogenous neighbourhoods in which female household work prevailed, favoured comparisons and aspirations based on a standard of living shared by those who interacted on a daily basis. From this perspective, relative economic homogeneity led to uniform consumer patterns amongst similar groups.

From the 1980s onwards, this model of horizontal social emulation began to change and was gradually replaced by a vertical emulation model, a transformation known as “new consumerism” (Schor 1998, 2002). Whereas in the previous model people learned about new consumer trends through neighbourhood relationships, the emulation model is now supplied by the rich and by celebrities who have become famous through the media, thus radically changing the level of consumer aspirations. The previous norm of “comfort” has now been replaced by a norm of “abundance” or “luxury.” Juliet Schor associates these cultural changes with rising inequality in the distribution of income and wealth and the decline in neighbourhood relations following the gradual inclusion of women in the labour market, and their consequent replacement by the workplace and the media as the means of defining new life styles. From this perspective, the growing gap between income and levels of aspiration encouraged the use of credit, resulting in the gradual deterioration of household finances. Schor (1993, 1998, 2002) also notes that the rise in North American household debt is linked to an increase in working hours, trapping people in an uninterrupted cycle of work and consumption.

Similarly, in *The Affluent Society*, John Kenneth Galbraith (1998 [1958]) emphasises the role played by advertising in creating needs and desires in the more developed capitalist societies, where the basic needs of individuals are already met and consumption is no longer a means of significantly improving wellbeing. Businesses therefore resort to increasingly aggressive marketing strategies to create the desire for increasingly sophisticated products. This growth in private consumption is deemed to have a damaging effect on the production

of public goods – such as parks, libraries and museums – since it absorbs resources that could be rechanneled into the production of these assets.

In a work suggestively entitled *The Joyless Economy: An Inquiry into Human Satisfaction and Consumer Dissatisfaction*, Tibor Scitovski (1976) also examines the process of creating needs and desires in the more developed capitalist societies. Firmly anchored in the psychology of the 1950s and 1960s, he argues that the fulfilment of basic needs, i.e. pain relief and the pursuit of pleasure, or simply what he called *comfort*, does not meet all human needs. People also derive satisfaction from being challenged, i.e. from *novelty*. Scitovski's analysis thus shifts the field of study from the production of consumer goods traded on the market to other types of activities and interpersonal relationships and is considered the precursor of another emerging area of economics, the so-called economics of happiness (Pugno, 2012).

This incursion into the common ground between political economy and sociology reveals a critical vision of the consumer society which highlights the role of economic processes in the creation of superfluous needs, and the role of social differentiation in escalating sterile consumption that has socially undesirable results. The relationship between consumption and recourse to credit is analysed more rigorously in this context, extending beyond the relationship between consumption and income envisaged by conventional economics, or the relation between consumption and deviant behaviour of behavioural economics. However, these approaches have been criticised for portraying consumers as passive agents, conforming to the interests of the industry or aspiring to the current social model as if they were mere automatons.

Following the postmodern movement that pervaded the social sciences, and based on growing market segmentation and its corrosive effect on the homogeneity of the system for determining social status, the focus has shifted from production and producers to consumption and consumers. It now highlights the capacity of individuals to construct their own meanings autonomously and independently of the meanings intended by the industry or any other hegemonic structure. Instead of promoting uniformity, consumption is now seen as a source of creativity and social innovation. Schor (2007: 19-20) provides an illustrative description of this paradigm shift:

The “postmodern” consumer is a playful and adventurous individual, putting on and taking off roles like costumes from her or his eclectic closet, shunning conventional (upscale) status

aspiration [...] the “good life” is no longer a matter of acquiring a well-defined set of consensual status symbols but is a project of individual self-creation. Studies of subcultures also rejected the trickle-down model on the basis of a growing tendency for consumer innovation to come from the social margins, as trends in fashion, music, art, and language were originating among poor inner city youths, rather than the wealthy.

However, by focussing on self-reported accounts of consumers, this approach encounters the reverse problem, veering towards the methodological individualism of conventional economics and also assuming that the acquisition of consumer goods in itself, and the plurality of meanings associated with this, contributes to individual wellbeing. Consumption is assumed to belong to the intimate sphere of the individual, understood as private, subjective and hedonistic, devoid of any political content and thus exempt from critical assessment. Standing at the opposite pole to the conventional vision of sociology, this perspective restricts consideration of the socio-economic factors relevant to an analysis of consumption and household debt. Moreover, both the conventional and the postmodern approaches omit the study of debt and its links to the evolution of consumer norms in contemporary capitalist societies, a subject to which recent analyses in political economy have paid particular attention.

5. The political economy of consumption and household debt

Rising household debt in the more advanced capitalist economies has attracted the attention of political economists, who position this important phenomenon within a broader set of profound socio-economic changes that have materialised in the growing influence of the financial sector (via its agents, processes and products) on the activities of households, business and states, in a process which critical literature has termed financialisation (Epstein, 2005; Ertuk *et al.*, 2007; dos Santos, 2009; Lapavistas, 2009; Montgomerie, 2009).

According to the Regulation School, these changes have weakened the “capital-labour compromise” characteristic of the Fordist regime of accumulation associated with the economic dynamism witnessed from the 1950s onwards in the USA, Europe and Japan, and the significant improvement in living conditions for workers in these countries (Boyer, 2000a, 2000b). This compromise was based on the so-called Fordist methods of production, i.e. the mass production of standardised goods and a relatively homogenous class of workers collectively organised in trade unions, benefiting from increased productivity in the form of wage increases. Parallel to this, the state also embraced new commitments, guaranteeing

economic and social stability whether through public investments or the creation of social protection systems. The expansion of productive capacity was thus institutionally synchronised with the expansion of demand, based on the evolution of the “wage relationship,” which contributed to the growth of large companies and the creation of oligopolies.

However, from the late 1960s onwards the political commitments and prevailing institutional arrangements began to be threatened by a fall in productivity and the replacement of the regime of intensive accumulation based on mass consumption with a so-called flexible regime of accumulation, in which production was internationalised, the oligopolies acquired new powers (namely financial) and the role of the state was reconfigured, leading to liberalisation, deregulation and the privatization of the economy. The Fordist “wage relationship,” based on homogenous consumer patterns, was gradually dismantled, resulting in greater economic and social inequality. The production process, based increasingly on quality and innovation, not only promoted social differentiation through increasingly segmented production, but also the fragmentation of the labour market, with greater variability in contracts and wages. During this period a number of innovations also allowed for the creation of increasingly globalised financial markets, making national economies more vulnerable to fluctuations in the world economy (Boyer, 2000a, 2000b; Glyn, 2007).

Intensifying international competition, in turn, shook the previous system of oligopolistic competition and companies now began to compete through product differentiation and the breakdown of the capital-labour compromise, leading to the flexibilisation of the labour market and reductions in wage costs. The gradual incorporation of businesses within the capital markets meant that their management paid greater attention to the interests of shareholders, who lobbied for valuation of company share prices, and this became the new measure of entrepreneurial success (Crotty, 2005; Froud *et al.*, 2006).

The capital-labour nexus thus became an adjustable variable in the face of the weakening economic and political power of the workforce, following the fragmentation of the labour market and the incorporation of the short-term imperatives of the capital markets within company strategies. The economic dynamism and full employment of the post-war era gave way to stagnation and unemployment. The slowdown in the world economy, in turn, put social protection systems under great pressure. As a result, individuals and households

intensified their interactions with the financial sector, either by subscribing to private schemes for the provision of essential goods, such as pensions, or by resorting to credit for consumer goods or home ownership (Froud *et al.*, 2006; Montgomerie, 2009).

With reference to the situation in the US, Montgomerie (2009) argues that stagnating incomes and rising social inequality led more households into debt in order to bridge the gap between income and expenditure. US household debt is therefore associated with the aforementioned consolidation of mass consumption in the post-war era, and the expansion of consumer credit is explained as an attempt to maintain a historical, politically constructed standard of living which was the hallmark of the *American way of life*. If on the one hand stagnating incomes led the US middle class to resort increasingly to credit to preserve the American lifestyle, on the other hand the shrinking of the welfare state and rising inequality in the distribution of income led the more affluent segments of the population to the capital markets and private social protection systems.

In short, drawing on sociological analyses of consumption, Montgomerie (2009) argues that the growing involvement of the financial sector in the lives of US families is the result of the deterioration of the socio-economic environment, in a society in which consumption is socially and politically very important. She also considers that the increasing financialisation of households translates into increasing household vulnerability. Their financial frailty has increased not only because debt now absorbs a substantially larger portion of their income, but also because, due to the financial crisis, many households are now confronting a fall in the price of houses bought with mortgages and the depreciation of their retirement savings. In the context of the current financial and economic crisis, the use of private debt rather than wage rises and public spending as a mechanism for sustaining consumption, which Crouch (2009) has termed “privatised Keynesianism,” is seriously compromised (Barba and Pivetti, 2009; Tridico, 2012).

More recently, certain authors have emphasised that the increasing weight of the financial sector in everyday household life reproduces class, gender and ethnic inequalities (Roberts, 2013). However, these analyses focus on the USA and the United Kingdom and are difficult to apply to the European context, which has not witnessed such an acute and general deterioration in the living conditions of the labour force, and in which very different situations, in terms of the relationship between households and the financial sector, coexist (Crouch, 2012; Hein, 2012). In fact, the countries with the highest levels of debt in the

European Union are those with the lowest levels of inequality and more robust social protection systems. This is the case in Denmark and Holland, where household debt is primarily the result of home ownership and is concentrated amongst the upper income brackets (Santos and Teles, 2013). It thus follows that the growing overlap between households and the financial sector is still a poorly understood phenomenon, and that its study should focus on the changing circumstances that drive different segments of the population towards the financial markets.

Another line of research, inspired by Marxism, focuses on the hegemonic power of finance, in particular the power hierarchy and relations underlying the credit market. According to Dos Santos (2009) and Lapavistas (2009), the fact that companies were increasingly accessing the capital markets forced banks to redirect their business to households via housing loans. The liberalisation of the financial markets is considered to have played a crucial role in this process, enabling commercial banks to become involved in investment activities, in particular allowing them to transform bank loans (specifically mortgages) into securities and trade them on the capital markets. The banks were thus able to make use not only of a mechanism that released capital to provide new loans, but also a new risk dispersal instrument, believing that the securitisation of these loans would enable them to separate the business of granting loans from the associated risks by transferring this to the purchasers of securities who expected high future returns (Crotty, 2009). These changes were boosted by innovations in information technologies which not only allowed for better individual risk assessment but also the dispersal of the risk associated with credit across the financial markets. Credit facilities, specifically mortgages, were therefore extended to hitherto excluded sectors who could not offer guarantees against default. A highly lucrative market segment emerged, given the high interest rates charged and the extraordinary profits made from default penalties (Dymski, 2009). When house prices began to fall and interest rates rose, defaults occurred on a large scale, given that property values were unable to cover the housing loans. Instead of diluting credit risk via international investors, the spread of financial securities ended up by propagating the effects of the US real estate crisis to the international financial markets, culminating in the biggest economic and financial crisis since the Great Depression of 1929.

Before ending, it is important to refer to a line of research inspired by studies into science and society which focuses on the relationship between finance and everyday life,

highlighting the process whereby the individual is established as his/her own entrepreneur, investing in his/her own life project in an ongoing search for profit opportunities that involve risk (Langley, 2009). This is a process that has been progressively promoted by states, given its essential role in reconfiguring the welfare state, which is increasingly transferring the responsibility and risk of future financial security to individuals (Finlayson, 2009). All these factors tend to create great instability in the everyday lives of households and increasing segmentation in society.

It is therefore clear that political economy calls for a broad framework of analysis, identifying a set of socio-economic changes that reveal the systemic causes of the expansion of the supply and demand for credit. Although it focuses on the Anglo-American situation, the political economy of household debt places household provision systems at the centre of the analysis, including the welfare state and the labour market. The literature also reveals the underlying interests behind the profound institutional changes, particularly those in the financial sector, which has acquired increasing economic and political power, acting not only as an intermediary in consumer decision-making but also as a service provider to households, specifically via private pension schemes. This analysis therefore stands at the opposite pole to conventional economics, rejecting the idea that extending the benefits of finance to the middle class and lower socio-economic brackets is the result of the democratisation of finance and the promotion of freedom of choice, together with autonomous and independent citizenship, ideas which are based on an unshakeable faith in the markets (Ertuk *et al.*, 2007).

In opposition to this, political economy also takes the profound ongoing cultural changes into account, placing at the centre of the analysis the evolution of consumer norms, perceptions of the role played by the state, individuals and households in providing essential goods and services and, consequently, the concept of citizenship itself in increasingly financialised societies. Thus a clear understanding of household debt requires an interdisciplinary study that positions it within the ongoing cultural changes and powerful social constraints (such as inequality) that have been created by profound changes in contemporary capitalist societies. However, this work is still in a very embryonic stage, requiring not only analyses that address contexts other than the Anglo-American world, but also a deeper examination of the relationship between finance and reforms to the labour

market and public systems for the provision of essential commodities such as housing and pensions, as well as their specific impact on the various sectors of society.

6. Conclusion

In the analysis of consumption and debt, the ongoing dialogue between economics and the other social and human sciences has brought to the fore issues that have always divided the social sciences, namely the dichotomies between approaches that take the individual as the unit of analysis and those which privilege social factors, or approaches that focus on identifying the configurations or mechanisms underlying human behaviour and social phenomena and those which are based on identifying meaning and significance.

Analyses which focus on the individual perceive consumption and debt as the result of decisions that are to a greater or lesser extent rational, and that take advantage of the expanding supply of new goods and new financing opportunities which separate the moment of consumption from the generation of income. Approaches that emphasise socio-structural changes point to the context in which decisions to consume or use credit are made, taking the evolution of social norms or the loss of the economic and political power of workers as explanatory factors for rising household debt.

These dichotomies naturally reflect the paradigmatic contrast between the proposals of conventional economics and those of political economy. Whilst the methodological individualism of the former favours dialogue with psychology, the focus on major changes in the contemporary capitalist system which is characteristic of political economy facilitates dialogue with sociology. Conventional economics undervalues the effects of context on decision-making and thus maintains a view of consumption and debt that tends to make individuals accountable for their choices. Conversely, political economy, in focusing on major trends, tends to overlook the role of human agency.

These contrasting visions also represent different normative standpoints. Conventional economics usually favours the expansion of consumption and debt, associating them with a greater and improved capacity to satisfy individual subjective preferences. Political economy, on the other hand, tends to highlight their harmful effects, such as the wastefulness of conspicuous consumption and the growing vulnerability of households resulting from the instability of labour relations and wages in increasingly financialised economies.

But both analyses overgeneralise the meaning and uniformity of the role played by the chosen explanatory factors. To a large extent this bias is the result of fragmented analyses which blur the capacity to take the various relevant factors and interactions into due consideration, namely the analysis of what is specific to each type of consumer commodity, as well as the differentiated way in which various consumer goods are acquired, used or displayed by different social groups, in addition to what is specific to each type of credit. For these reasons, Fine and Leopold (1993; see also Fine, 2002) consider that the study of consumption should address what differentiates rather than unites commodities, which should be seen not so much as consumer items but as the result of their constituent economic and social structures and processes. By the same token, the analysis of household debt should begin to focus on the distinctive and characteristic features of various types of debt and the differentiated involvement of various segments of the population with finance. Moreover, recent empirical work (Santos and Teles, 2013) has shown how the relationship between consumption and debt varies on a national scale. A contextual analysis should therefore consider the different national trajectories and the relatively subordinate position of each country within a contemporary international economy in which finance both standardises and differentiates various geographical contexts.

The analysis undertaken here also shows how household debt is still an insufficiently studied topic. It emerges only marginally in disciplinary analyses of consumption. However, political economy offers an analytical framework that allows for dialogue between the various disciplinary and interdisciplinary fields, drawing attention to the need to examine the way in which consumption of a wide range of goods and multiple forms of financing are linked to the shrinking of the welfare state and the loss of labour rights, and how these changes reflect and shape the values which govern collective and personal life.

Political economy should nonetheless dedicate more attention to the interaction between context and individual and household decision-making processes. The growing role played by the financial sector as an intermediary in individualised access to an increasing range of goods and services reinforces the importance of including this topic in the political economy research agenda, particularly given the current context of deepening instability in employment and the uncertainty surrounding social protection systems in many European countries. This is yet one more argument for an interdisciplinary approach that is capable not only of combining the relevant intellectual resources in an analysis of the multiple

factors in question but, above all, of considering their interactions and, to paraphrase a well-known expression, the circumstances that are specific to each case but not determined by it.

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My Money, Your Money, Our Money: Contributions to the Study of Couples' Financial Management in Portugal*

The relationship between conjugality and household financial management has yet to be properly studied in Portugal, particularly in what concerns the ways dominant social norms regarding gender and marriage influence financial behaviour, power relations and resource consumption and sharing by couples. Studies carried out in other countries show that the various systems for managing family accounts are related, in a complex manner, to access to resources, wellbeing and satisfaction of needs of the different family members. This paper aims to contribute to the understanding of this subject in the Portuguese context by discussing the complexity of intrahousehold financial negotiations and decisions. It also presents the preliminary results of a study which, using data from the 2010 Portuguese Institute of Statistics Survey on Income and Living Conditions, applies to Portuguese couples a typology of modes of financial management and control developed by Jan Pahl and Carolyn Vogler.

Keywords: marriage; couples; personal finances; financial management; gender issues; decision-making.

Introduction

The majority of people live most of their lives in plural households, typically anchored in a couple and sharing common family resources, which have to be managed. Household economic and financial decisions are thus necessarily determined, at least to some extent, by logics of cooperation and sharing, as the needs of all family members have to be taken into account. When a new couple is formed, financial decisions, which were previously made on an individual basis, become shared, a situation that is necessarily reinforced with the birth of children.

As individual preferences are often divergent or even conflicting, couples' decisions result from complex interactions, involving tacit or explicit negotiation between the spouses. This usually leads to the definition, from the outset, of each partner's sphere of decision-making in the management of the joint income, in spending, saving or debt incurrence. Those early decisions define the "rules of the game," and the need (or otherwise) to also negotiate them on a day-to-day basis.

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Although many of the deep changes in Portuguese families in recent decades have been thoroughly studied (in terms of socio-demographic and economic aspects, interpersonal relationships, and families' relations with other institutions), the perceptions, negotiations and financial practices of couples have yet to be properly examined. This article aims to fill that gap. It begins by presenting a theoretical contextualization of the ways in which social norms and representations of marriage and gender influence families' financial behaviours, their decisions regarding consumption and saving, intrahousehold sharing of resources, family power relations and individual wellbeing. Then, it undertakes a brief analysis of the Portuguese case, based on data from the 2010 Portuguese Institute of Statistics Survey on Income and Living Conditions (SILC). Although limited in its comprehensiveness and analytical depth, this exercise applies the typology developed by Jan Pahl and Carolyn Vogler on systems of couples' financial management and control, which is the most commonly used typology in empirical studies on this subject.

Household economics and finances: Money, gender and power

The importance of research on the financial practices of couples has been affirmed in the literature (Dew, 2008). Examining patterns of couples' spending, control of resources and decision-making processes in financial matters is important not only to understand households' economic behaviour, but also to serve as a basis for various kinds of interventions for the promotion of family wellbeing.

Given the widely diverse features of both the families and the contexts in which they operate, couples' financial decisions are a complex issue which has implications for different spheres of family life. Hence, it has become an object of study for various academic disciplines (Dew, 2008; Waseem, 2004).

Mainstream economic theory treats the family as *a unit* whose members act in perfect harmony in order to maximize the satisfaction of *their* needs. Therefore, there is supposedly no divergence of interests or preferences within the family, either because there is consensus among its members or because the *head* of the family, the main breadwinner, can impose his/her own preferences by transferring part of his/her income to the other members of the family (Becker, 1981, 1991). In such a context, the allocation of family resources is invariant to the origin or the identity of the holders of the overall income.

According to this framework, the family is a “representative economic agent” which, within the limits of the income it has at its disposal, adopts an efficient economic behaviour.

This is a view of the family that does not correspond to many people’s experience, since “the prevalence of destructive or wasteful phenomena such as domestic violence and child abuse, as well as the demand for marriage counseling and family therapy, suggests that we consider the possibility that family behavior is sometimes inefficient” (Lundberg and Pollak, 1996: 150).

It is therefore not surprising that models based on game theory have been proliferating in recent economic literature. According to these models, the conjugal interaction is a negotiation between two individuals who have their own individual preferences and differentiated decision-making power, and thus the intrahousehold allocation of resources is determined by the outcome of the “bargaining” game (Lundberg and Pollak, 1996). Still, these approaches are also limited by the formalism of their method of analysis which, by conforming to a rigid framework of hypotheses, results in the selectivity of the object of analysis, making it impossible to generalize the conclusions obtained to various types of family or even to the different stages of life of the same family (Pollak, 1985: 600; Lundberg and Pollak, 2003). Thus, I share the perspective of Sen (1983, 1985, 1990), who holds that the family should be studied in the framework of a qualitative bargaining theory, centred on the concept of “cooperative conflict.” This approach enables us to take into account the role of individual agency and perceptions of the interests, wellbeing, contributions and aspirations of each individual family member.

All negotiations involve the management of individual interests, but in the context of the family, one might expect that they will largely coincide, leading to a cooperation rationale based on altruism and goodwill. Nevertheless, this does not mean the dissolution of self-interest, or the disappearance of diverse individual motivations and perceptions, as each person’s individuality results from multiple identities related to sex, social class, occupational status, race and community of belonging, as well as to his/her position within the family. All these factors influence the way each person perceives their own interests, wellbeing, obligations, objectives and the legitimacy of their behaviour. The perception of self-interest and the perception others have of each person’s contribution to the family wellbeing are determining factors in intrahousehold allocation (Sen, 1983, 1985, 1990). Sen underlines the fact that, in some societies, women identify their own individual wellbeing with the family’s

to such an extent that this prevents them from perceiving their own interests in any minimally objective way (Sen, 1990: 126). Furthermore, activities related to the family's survival and reproduction tend to be envisaged as "unproductive," therefore conditioning the social perception of the legitimacy of women claiming for themselves a fair portion of the family income (Sen, 1985: 197). As such, the relative power of men and women in the family depends on the particular social technology¹ characterizing each community, which determines, *inter alia*, a specific sexual division of labour and stereotyped perceptions of effort and worthiness. The study of families' economic behaviours should thus recognise that "'maleness' and 'femaleness' matter for the way in which decisions are made and resources allocated" (Katz, 1997: 26). The sources of and entitlements to family income and the ways in which it is managed are thus privileged domains for the expression of social gender roles.

In this regard, it is relevant to distinguish between the management of money and the control of it (Edwards, 1982: 325). The latter corresponds to the decision-making itself, while the former involves the implementation of previously formulated decisions. It is, therefore, the control of money that expresses the power of decision in what concerns family finances.

This interpretation is in accordance with much feminist thought of recent decades, which points to (total or partial) income dependence as a condition for the maintenance of women's subordinate social position (Lister, 1990; O'Connor, 1996; Ward *et al.*, 1993), as "[t]hose in positions with power over others are easily recognized by the fact that they control and have access to resources. Resources give power to control, reward and punish others" (Jarl, 2003: 48).

However, it should be pointed out that access to one's own earnings, and the putative control that results from that, is not automatically converted into power within the family, since (as already mentioned) social representations of gender and marriage do determine the behaviours of men and women, and may result in practices that neutralize or attenuate the conversion of resources into effective power of decision. Hence, it is useful to distinguish between "structural power" and "ideological power." The first is "the power of domination – the power to be able to get someone to do what we want, or prevent them from doing other things," while the second consists of the "beliefs, construals, understandings which shape

¹ "Social technology" is here understood as "the social arrangements that permit productive processes to be carried out," including aspects related to the sexual division of labour (Sen, 1985: 197).

how we think about ourselves and relationships; for example, the different roles, duties and expectations that men and women are guided into in any given society" (Dallos and Dallos, 1997: 10-11). This is an analytically fruitful distinction since it highlights the fact that, even when decisions are not conditioned by violence or restriction of access to resources, the social and cultural conditioning of the choices that each person makes determines the individual's capacity to exercise power (also) within the family. Hence,

[...] differentials in economic power may be reinforced or reduced by ideological power. In families with a traditional division of labour, where wives were non-employed or in part-time work, the ideology of the male breadwinner increased and reinforced the man's economic power. By contrast, in households where women were in full time paid work, and economic resources were more evenly balanced, the ideology of the male breadwinner still limited the power of women. (Pahl, 2007: par. 4.10)

Zelizer (1994, 2003) has emphasised the social meanings of money, which is highly differentiated in accordance with its origin, the uses made of it, and the person who has the right to use it. Contrary to mainstream economic discourse, money is not fungible because it is embedded in social relations. In this sense, it is also determined by social gender roles; its applications depend on who has obtained it and how it has been obtained. This idea has been empirically proven in many studies, using databases on household budgets and expenditures in societies with very diverse economic structures and cultural and religious traditions (Hoddinott and Haddad, 1995; Phipps and Burton, 1998; Thomas, 1990, 1993; Lundberg *et al.*, 1997).² Pahl (2000) also analysed the expenditures of British families at the beginning of the 1990s, and concluded that women spent significantly more on food, clothing and education, while men spent more on alcohol, cars, repairs, meals, gambling and holidays. Taking a different perspective, Bajtelsmit and Bernasek (1996) reviewed the literature on financial investments, and found evidence that women allocate their portfolios differently to men, preferring lower-risk options. That is to say, in a couple, who earns the money and how it is obtained determine the way money is applied and who benefits from it (with women tending to give priority to expenses related to the children).

Gender inequalities in the family have been only partially mitigated by the growing contribution of women to family budgets, resulting from their participation in the labour market. In fact, women tend to earn less than men on average, given the prevalence of a wage gender gap, and tend to be penalized for maternity, which leads them to dedicate less

² See Coelho (2010: 58-63) for more details on this subject.

time to their job – in accordance with prevailing gender roles – at a time when expenses increase significantly (Waldfogel, 1998). Thus, in order to maintain an equitable distribution of resources within the couple when children are born, there has to be a redefinition of the way common monies are managed. If that does not happen, maternity may bring economic hardship for the female partner (Pahl, 2000; Vogler, 1998).

As regards Portugal, there is currently an abundant sociological literature on the ways social representations of gender are manifested in the family and determine the organization of family life (Aboim, 2010; Perista, 2002; Portugal, 2006, 2013; Torres, 2001, 2008; Torres, Guerreiro e Lobo, 2007; Torres *et al.* 2001; Torres *et al.*, 2004; Wall, 2007; Wall and Amâncio, 2007; Wall and Guerreiro, 2005). Taken together, these studies show that there have been significant developments in gender relations, although they have had non-linear and intricately interconnected results. While the sustained increase of female participation in the labour market in recent decades has been a strong factor in social transformation, with a pronounced impact on gender relations and on family life, there has also been a continuation of “maternalistic values, largely shared by men and women, [which] constitute a fundamental piece in the system of inequality” (Aboim, 2010: 63). Though the model of dual full-time employment has clearly become prevalent in Portuguese families, and there is evidence of growing male participation in household tasks, traditional gender roles still largely prevail, which means that women are burdened with a disproportionate amount of housework and caring tasks. This results in marked inequalities between men and women in actual working time, with women facing increasing difficulties in reconciling their professional, family and personal lives.

In this context, it is to be expected that gender inequalities will also be manifested in the sphere of family financial management.

A typology of systems for managing and controlling family finances

The works of Jan Pahl and Carolyn Vogler are particularly interesting for their contribution to our understanding of how couples manage household budgets (Pahl, 1980, 1989, 1995, 2008; Vogler, 2005; Vogler *et al.*, 2006; Vogler and Pahl, 1993, 1994). These authors studied British couples (heterosexual, married or cohabiting, and with dependent children), using questionnaires and interviews of varying amplitudes and focuses over the course of three

decades. The results enabled them to construct typologies on the management and control of family budgets, based on the four main management patterns first proposed by Pahl (1980, 1983): management by one of the spouses; housekeeping allowance; joint management, and independent management. The gradual adaptation of this classification led to an updated version comprising six different categories, of which two correspond to the splitting of previous ones (cf. Chart 1; Pahl, 1983, 1995; Vogler, 1998; Vogler *et al.*, 2006; Vogler, Brockmann and Wiggins, 2008; Vogler and Pahl, 1993, 1994). Based on each spouse's access to money and on their sphere of responsibility in household expenditures, the typology reveals a complex pattern of interrelations between management models, amount and holdership of income, and prevalent gender ideology.

Thus, the *housekeeping allowance* is typical of couples in which only the man earns a salary and gives his wife a fixed amount to cover daily expenses. The remaining income is managed by him, and it is he who also defines the amount of the allowance. This model has gradually become less common over time.

In the *female whole wage* model, the husband (predominantly) hands over almost all his wage to his wife so that she can manage it, reserving a small amount for his own personal expenses. The wife is thus entirely responsible for the household budget. This occurs predominantly in low-income families in which managing the household budget is an arduous task because it involves "making ends meet" with resources that are insufficient for the family's needs. The *male whole wage* system, on the other hand, is characteristic of high-income couples, where the man is the main earner. It may also be associated with practices of domestic violence, in which the wife is subjected to material deprivation.

In the *independent management* system both partners have their own earnings and are responsible for different categories of the common expenses. This occurs predominantly in middle and upper-middle income families, in young couples or in blended families. It is still quite uncommon but becoming gradually more usual.

In the pooling management model, the spouses have equal access to common money, which they pool, and expenses are the responsibility of both. This is characteristic of couples where the wife also earns a salary. It may take the form of *partial pooling* if only part of the income for common expenses is pooled and managed jointly. This is the most usual system and has been gaining importance over time. It is also the one that conforms closely to the prevailing ideology of communion in marriage.

CHART 1: Models of couples' management and control of finances, according to Pahl and Vogler

| | Housekeeping allowance | Female Whole Wage | Male Whole Wage | Pooling System | Partial Pooling System | Independent management |
|--------------------------------------|---|--|---|--|---|---|
| Management | The husband/partner gives the wife a fixed monthly sum of money to which she may add her own earnings. She is responsible for housekeeping expenses, while the man is responsible for all other expenses. | The husband/partner hands over his earnings to his wife, keeping only a small amount for his own expenses. The wife adds her own earnings, if any, and is responsible for managing the joint income. | The husband/partner has exclusive responsibility for the management of household finances. The wife keeps an amount for her own expenses which is transferred to her by her husband and/or comes from her own earnings. | Spouses/partners pool all their earnings, and both have equal access to financial resources. Spending comes from the common pool. The couple usually keeps money in a joint account and refers to it as "our money". | Spouses/partners pool part of their individual earnings in order to pay for joint expenses, and maintain the rest separate. Both have their own earnings and neither has access to all household's funds. | Each partner has his/her own earnings, which are kept separate. Each is responsible for specific categories of the common household expenses. |
| Control | The man has the power to decide the amount of the allowance and larger expenses. | The man controls the money. The woman's power of decision becomes a burden and an arduous task, given the usual scarcity of household income. | The man has the power of decision. | Shared, but the partner with the higher income has more power of decision. | The spouse with higher earnings, generally the man, has more power of decision and control. | Independent. Both spouses have control over their own earnings. |
| Household income | Medium | Low | High | Any | Any | Medium, medium-high |
| Wife's occupational status | She has no job or has a part time job with low income. | She has no job or has a part time job with low income. | She has no job or has a part time job with low income. | Both partners in paid employment. | Both partners in paid employment. | She is in paid employment and sometimes earns more than her partner. |
| Expenses incurred by the wife | She may have no money for personal expenses (she may not perceive money as her own; she spends it on housekeeping and children). Each partner has a separate sphere of decision over expenditures. | She tends to reduce her personal expenses to a minimum (she may not perceive money as her own; she spends it on housekeeping and children). | She may not have access to money (common in situations of domestic violence). | She is primarily in charge of the expenses with the children and collective goods. | She is primarily in charge of the expenses with the children and collective goods. | She is primarily in charge of the expenses with the children and collective goods. |
| Equality | Inequality between the spouses in the access to resources. | Inequality between the spouses in the access to resources. Probable financial deprivation of the wife. | Gender inequality in the access to resources | Sharing of responsibilities and joint decision-making. | Parity in contributions to common expenses; the partner with lower earnings ends up with less access to resources. | Parity of contributions to the common expenses; the partner with lower earnings ends up with fewer resources for personal expenses. |
| Gender roles | Traditionalist: the man as breadwinner. | Traditionalist: the man as breadwinner. | Traditionalist: the man as breadwinner. | More egalitarian. Ideology of "co-provision." | More egalitarian. Ideology of "co-provision." | More egalitarian. Ideology of "co-provision." |

Sources: Pahl (1983); Vogler and Pahl (1993); Vogler (1998); Vogler *et al.* (2006); Vogler, Brockmann and Wiggins (2008).

However, pooling of resources does not prevent one of the spouses from having greater control over the family finances. For example, Vogler and Pahl (1993) note that, amongst couples that pool their earnings, only 39% claimed that both were equally responsible for financial decisions.

Control over money is gauged by each spouse's capacity to decide how it is to be used, to autonomously spend it to satisfy personal needs and/or to make expenditures which are of an exceptional nature or particularly costly. Four systems of control have thus been identified: by the wife, by the husband, shared, and independent.

The level of income and who earns it are related to the way the money is managed and controlled. The person who earns most of the money is the one most likely to control it. However, ideology about gender and marriage may interfere in the option adopted, as do other factors.

In short, the choice of allocation system is influenced by: income (low-income families tend to use systems managed by women); gender ideology or representations (a traditional ideology, in which the man is viewed as the family breadwinner, increases the likelihood of control by the man); relationship with the job market (couples in which only the man has employment, or in which the woman is employed part time or gets low earnings, tend to adopt systems managed by the wife); education levels (more schooling increases the likelihood of sharing resources and decisions); parental socialization (couples' options tend to be influenced by the system used by their parents); and type of family or conjugal relationship (cohabiting couples, those with no children and blended families tend to separate earnings and spheres of expenditure) (Anu, 2011; Burgoyne *et al.*, 2007; Pahl, 1995, 2008; Singh and Morley, 2010; Vogler, 1998; Vogler *et al.*, 2006; Vogler, Lynette and Wiggins, 2008; Vogler and Pahl, 1993, 1994).

Gender inequality tends to be less pronounced for couples with joint control of pooled money, while it is particularly pronounced in families in which the man controls the finances (Pahl, 1995; Vogler, 1998; Vogler *et al.*, 2006).

Studies carried out in various countries (United States, Australia, Germany, Sweden, Spain) largely confirm the results presented (Ludwig *et al.*, 2011; Pahl, 2008). However, that does not necessarily mean that they can be generalized to other parts of the world (Pahl, 2008).

Couples' financial management in Portugal: An exploratory approach

In a study carried out in 1995 by the Institute of Social Sciences, University of Lisbon, the influence of gender roles on the financial decisions of couples was shown by the fact that men mostly took responsibility for managing bank accounts, loans and taxes, while women claimed to decide about the running household expenses in lower value purchases (CIDM, 2001: 59). A few years later, Gomes (2000) undertook an exploratory study on the subject, applying semi-structured interviews to heterosexual couples, and also concluded that representations of marriage and gender do matter in the sphere of family financial management. Older couples tended to use more shared and joint forms of management, as a way of expressing conjugal unity, but this was less common in younger couples or blended families (Gomes, 2000: 166). There were also gender differences in consumption behaviours, with women shouldering more of the everyday household expenses (food, cleaning, clothing) while men took on the expenses with housing (rent or mortgage payment) and other associated bills (water, electricity, gas, telephone). This author detected two conflicting principles in the conjugal experience: individual autonomy and freedom, on the one hand, and family collectivism on the other. However, they never fully cancel each other out, as most couples share resources and decisions to some extent (*ibidem*: 169). Couples' financial management arrangements are therefore determined by multiple factors, such as the level of individual income, the phase in the life cycle at which the family finds itself, individual psychological characteristics, practical convenience, social gender representations, age, and type of family organization.

Building on the research done so far, this paper aims to identify and typify the modes of financial management and control used by Portuguese couples, based on a secondary source of information – the Survey on Income and Living Conditions (EU-SILC).³ This survey, undertaken by the National Institute of Statistics (INE), is a statistical operation carried out by direct interview of a representative sample of household units. It contains a specialized annual module, whose topic in 2010 was precisely the sharing of resources within the household.⁴

³ This survey is performed annually in all countries of the European Union, under the generic title of *European Union Statistics on Income and Living Conditions* (EU-SILC).

⁴ A 'household' is understood as the "set of people that reside in the same space and whose fundamental or basic expenses (food, lodging) are borne jointly, irrespective of the existence of kinship bonds; or the person

EU-SILC takes both the household and its individual members as units of observation and analysis. Data concerning the household is obtained by an interview to the person assumed to be the household representative, while data relating to individuals is gathered through personal interviews with each household member aged 16 or over. The survey also collects data on the composition and socio-demographic characteristics of households, as well as the composition, holdership and nature of the household income. In addition, the 2010 survey gathered specific information on the management of all the household income and individuals' power of decision over it.

For the current study, I analysed households consisting of at least one married or cohabiting heterosexual couple, with or without dependent children and living or not with other adults. Households with no income and those in which neither member of the couple managed the common resources were excluded from the sample.

To apply the typology developed by Pahl and Vogler (Pahl, 1989, 2008; Vogler and Pahl, 1993), I analysed data on who earned the couple's income; the way income was handled; the identity of the persons usually responsible for managing the common budget; the share of individual income kept separate from the common budget; and the identity of the person that makes the decisions regarding daily expenses, expenses on durable consumer goods and costly furniture, loans, savings and substantial expenses benefitting the children. Chart 2 sums up the criteria used. Two types of "non-conformity" were found. The first corresponds to one or more contradictions between the responses given by the household's representative and those given by each of the spouses in the individual interviews.⁵ The second corresponds to situations in which responses are inconsistent with at least one of the classification criteria adopted.⁶ In cases in which at least one of these situations was found, the mode of household budget management was classified as "imperfect" (see Chart 2).

that occupies the accommodation entirely, or, when sharing it with others, does not meet the previous condition" (INE, 2010: 10).

⁵ This is the case, for example, in households whose representative claims that all income is pooled, but in which at least one of the spouses claims to keep more than 50% (sometimes even all) of his/her income apart from the common budget.

⁶ Examples of this second type of "non-conformity" are found in households in which the wife manages the common resources but has a higher income than her husband.

CHART 2: Criteria for the classification of households according to the typology of Pahl and Vogler

| Model | Household questionnaire | Individual questionnaires |
|---|---|--|
| Housekeeping allowance | The wife (or maybe the husband) is pointed out as the one who manages the household finances. | Spheres of decision on expenditure are separate (women make the decisions on current expenses and the children, and men decide about exceptional expenses, purchase of durable goods or expensive furniture, credits and savings); The wife has low income or no income at all. |
| Female Whole Wage | The wife is pointed out as the one who manages the household finances. | Both spouses declare that less than 50% of their own personal income is kept separate; The wife has low earnings or no earnings at all. |
| Female Whole Wage (<i>imperfect</i>) | The wife is pointed out as the one who manages the household finances. | Both spouses declare that they decide equally often for all spheres of expenditure; Both spouses agree that the man decides in one or more spheres of expenditure (although this is not a <i>housekeeping allowance</i> system). |
| Male Whole Wage | The man is pointed out as the one who manages the household finances. | Both spouses declare that at least 50% of their own personal earnings is kept separate. |
| Male Whole Wage (<i>imperfect</i>) | The man is pointed out as the one who manages the household's finances. | Both spouses declare that they decide equally often for all spheres of expenditure; Both spouses agree that the woman decides in one or more spheres of expenditure (although this is not a <i>housekeeping allowance</i> system). |
| Pooling System | The earnings are pooled as a common resource; Both spouses manage the common resources. | Both spouses may take funds from the bank accounts for their personal use, including from those that are not in their name. |
| Partial Pooling System | Part of the earnings are a common resource; Both spouses manage the common part of the resources. | At least one of the spouses declares to keep up to 50% of his/her personal income separate; Although all earnings are a common resource, at least one of the spouses may not take funds from the bank accounts. |
| Joint management (<i>imperfect</i>) | The earnings are (totally or partially) pooled as common resources; Spouses manage the common part of the resources. | They declare that only part of the earnings is common resources. However, no part of the personal income is kept separate; At least one of the spouses keeps more than 50% or all his/her income separate. |
| Independent management | All earnings are treated as individual resources. | Each spouse manages his/her own income. |

Table 1 summarizes the results obtained. Most Portuguese couples claim to pool their income and treat it as a common resource (78.5%); the group that considered only part of the income to be a common resource was much smaller (18.8%); and only a small number of couples claimed to manage their individual incomes in a fully separate manner (2.7%).

Table 1: Household Management Systems

| How is income conceived of? | N | % | Per Capita Adult Equivalent Income* (€) | Minimum monthly income for expenses and financial commitments (€) |
|---|-------|-------|---|---|
| All income as common resources | 2,694 | 78.5 | 10,290.2 (7795.3) | 1,410.6 (810.7) |
| Some income as common resources and the rest as individual resource | 645 | 18.8 | 11,814.4 (7975.9) | 1 525.3 (904.2) |
| All income belongs to the person who earned it | 94 | 2.7 | 10,889.8 (6231.1) | 1 820.4 (977.1) |
| Management System | | | | |
| Housekeeping Allowance | 111 | 3.2 | 9,951.3 (6936.7) | 1,166.8 (640.1) |
| Female Whole Wage | 185 | 5.4 | 8,546.4 (5022.8) | 1,131.3 (560.5) |
| Female Whole Wage (<i>imperfect</i>) | 185 | 5.4 | 10,520.3 (8158.3) | 1,383.4 (743.8) |
| Male Whole Wage | 149 | 4.3 | 10,322.6 (8792.0) | 1,329.9 (873.3) |
| Male Whole Wage (<i>imperfect</i>) | 496 | 14.4 | 11,041.7 (8976.7) | 1,448.1 (845.9) |
| Pooling System | 1 247 | 36.21 | 10,532.1 (7525.6) | 1,491.0 (832.8) |
| Partial Pooling System | 495 | 4.4 | 10,231.2 (7295.0) | 1,389.7 (760.1) |
| Pooling System (<i>imperfect</i>) | 475 | 13.8 | 11,138.8 (7140.7) | 1,518.0 (943.6) |
| Independent Management | 104 | 3.0 | 10,697.3 (6369.6) | 1,792.6 (944.2) |

* Using the modified OECD equivalence scale. Standard errors in brackets.

The findings show a pattern of distribution that is broadly identical to that of the EU countries as a whole, though there is significant variability in specific figures per country. Portugal shows median figures in the European context (Eurostat, 2012).⁷ This regularity confirms the prevalence of values and practices supporting the pooling of resources within marriage, which cuts across European societies, despite national modulations.

⁷ These conclusions refer to the total sample of the survey, which is broader than the sub-sample in the current study. However, the relative orderings are not likely to differ significantly in both cases.

As regards management arrangements, joint management (whether total or partial) is the most widely used (64.4%). However, it is less common in blended families, where only 28% of the couples claim to share and manage all or part of their income jointly, while as much as 11.7% maintain their own earnings entirely separate from the common pool, as compared to only 2.7% of the other types of families.

Whole wage systems are used by 29.5% of households, with male whole wage being more common (18.7%) than female whole wage (10.8%). Housekeeping allowances and independent management show similar figures (around 3%).

These results are broadly in agreement with those presented in the literature for other countries. Still, shared management systems show greater expression in Portugal, while housekeeping allowances and independent management are residual when compared to other countries.

The average figures on household income and expenditures presented in the two right-hand columns of Table 1 also seem to confirm some well-known regularities. Thus, housekeeping allowance and female whole wage systems appear to be associated with low-income and low-expenditure families. This is an aspect that deserves further analysis in future research.

Inconsistencies between answers given by the spouse that responded to the questionnaire as household representative and answers given by each spouse to the individual questionnaires were found in 33.6% of the couples. These situations were classified as “imperfect arrangements” as they do not fully comply with the criteria used to define each of the different systems.⁸ These situations occur with respect to the whole wage (19.8%) and (total or partial) joint management systems (13.8%). Although this may be due to errors of perception by interviewees or to recording inadequacies, the figures are expressive enough to require further attention, particularly in order to understand to what extent discrepancies are due either to possibly dissonant perceptions of each spouse regarding gender and/or marriage roles, or to factors of another nature, such as incomplete knowledge by one of the spouses of the household's income and/or financial situation.

⁸ These types of difficulties in using the typology have also been mentioned by other authors, who suggest as possible explanations the fact that the categories used are not mutually exclusive, the fact that some individuals interpret the questions idiosyncratically, and the lack of similarity between the classification criteria used and the pattern of responses actually given by some couples (Ashby and Burgoyne, 2008; Bennett, 2013; Evertsson and Nyman, 2012).

Conclusion

Based on a representative database of the Portuguese population, the findings presented here are part of a pioneering study on household financial management practices in Portugal. Although there is a wide range of conjugal income management arrangements, typologies have proved to be a useful methodological tool in this area, as the work of Jan Pahl and Carolyn Vogler has demonstrated. The preliminary results presented above suggest a pattern that is in line with the existing literature in this field. Still, further study is required in order to clarify some specific aspects of the Portuguese case.

Some particular features of Portuguese families may indeed influence couples' choices regarding financial management matters. Factors such as a high prevalence of couples in which both partners are in full-time employment, or the strong role of intra-family solidarity in the provision of social protection in the Portuguese context (Santos, 1993; Hespanha, 1995; Portugal, 2006, 2013) may explain some of the differences in the patterns of choice referred to above.

This is a complex issue, which requires interdisciplinary research approaches, combining complementary perspectives and methods of analysis, in order to better understand negotiation strategies between husbands and wives as well as to establish systematic patterns of relation among different family structures, contexts and arrangements. Such paths of research should also lead to correlations between household financial management choices and financial stability, intrafamily equity in the access to resources and satisfaction with conjugal and family life.

This research agenda is particularly important in the context of the current economic crisis, as Portuguese families are being forced to revise and adapt their management practices in order to deal with increased budgetary constraints. One may also expect that adjustments to expenditure and living standards will affect women more intensely than men (particularly mothers of dependent children) since, in keeping with traditional gender roles, women may tend to accommodate more to the constraints of austerity, particularly in families in which gender inequality was greater at the outset.

Translated by Karen Bennett

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“If We Don’t Look after Ourselves, No One Will”: Financial Self-Help and Neoliberal Political Rationality*

The aim of this article is to critically analyze the discourse produced in financial self-help literature (FSHL) within the general context of the financialization process. This analysis uses publications of this genre available on the Portuguese market as empirical material, and is based on the theoretical approach of governmentality studies inspired by Foucault. The first section reviews the concept of financialization, identifying its theoretical and empirical strengths and weaknesses. One such weakness is the lack of attention paid to microsociological aspects, which justifies the need to explore, in the second section, the type of subjectivity related to financialized capitalism. The third section examines the key aspects of this subjectivity, as presented in FSHL, including a framework for the characteristics of these publications, as well as a study of the motives, objectives and ways of putting self-help advice into practice. The final section focuses on the social basis of the texts as discursive tools of neoliberal political rationality.

Keywords: consumer credit; financial capitalism; financial education; financial management; financial self-help.

Talking about financialization these days is the same as talking about the dominant face of contemporary capitalism. Let us accept, as a general definition, that the concept of financialization stands for the steady growth of financial markets, players, institutions and motives as protagonists in the world economy (Epstein, 2005: 3). Most approaches to financialization tend to be of a macroeconomic nature. In our minds the colonization of the economy by finance is intimately associated with its occurrence on a global scale, which in turn redirects one’s analysis to the structural conditions leading to the wide reach of today’s increasingly financialized capitalism: the major trends and forces of globalization; bloc-based or area-based policies; or yet the actions of political or corporate entities, both national and supranational. But we know, since Max Weber, that capitalism entails the existence of a spirit – in sociological terminology, a subjectivity. In fact, in the context of financialization this particular facet is less palpable and harder to pin down, although no less important. Financialized capitalism at once requires and fosters a way of seeing and doing, a way of perceiving and interpreting the world, and also a form of personal self-perception which can be traced to a human archetype of behavioral and emotional management, which in turn both produces and is produced by financialized capitalism itself.

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The present article addresses this subjectivity, its principal aim being to critically analyze the discourse created by one of the tools used for conveying and constructing subjectivity: financial self-help literature (FSHL). The analysis a) uses, as empirical material, publications of this genre available on the Portuguese market; and b) is based on the theoretical approach of governmentality studies inspired by Foucault. It brings to the fore the importance of a mode of subjectivity that is consonant with the requirements of financialized capitalism (Papalini, 2013) and functionally capable of maintaining and reproducing it.

The article's first section reviews the concept of financialization, identifying its theoretical and empirical strengths and weaknesses. One such weakness is the lack of attention paid to micro-sociological aspects, and this justifies the need to explore, in the second section, the type of subjectivity related to financialized capitalism. The third section examines the key aspects of this subjectivity as presented in FSHL, including a framework for the characteristics of these publications and a study of the motives for, as well as the objectives and ways of, putting self-help advice into practice. The final section focuses on the social basis of the texts as discursive tools of neoliberal political rationality – where neoliberalism, as mentioned above, is understood in terms of the neo-Foucauldian take on governmentality.

1. The meaning(s) of financialization

Financialization is a recent word, which means that we are still a long way from a plain definition or a consensus about its constitutive elements. However, we can list those aspects that are regarded as consolidated in the literature, and about which there is some consensus at this point:

- a) Generally speaking, the concept amounts to saying that the capital that circulates in the financial channels outweighs capital flowing through the channels of the productive economy. Such predominance is the outcome of a historical process that marked a shift from a Fordist production to a post-Fordist financial system (Heilbron, 2005; Epstein, 2005).
- b) This predominance also means that the balance between financial markets, on the one hand, and business and industrial corporations, on the other, has shifted in favor of the former, thus causing long-term pressure of dividends on industrial policy (Langley, 2007).
- c) Financial activity is highly capable of generating new assets as well as indexing systems that can serve as collateral (Leyshon and Thrift, 2007).

- d) On a global scale, the economy takes a back seat to finance, whose structural and logistical foundations are information technologies and the process of economic globalization (Martínez González-Tablas, 2012; Santos Ruesga, 2012).

We are thus faced with qualitative and quantitative changes in financial activities. In this context, there is a relatively homogeneous set of manifestations and consequences linked to the development of financialized capitalism (Medialdea García Sanabria and Martin, 2013): the increased complexity of the foreign exchange market, the privatization of formerly public companies and services, the independence of central banks *vis-à-vis* governments, the many varieties of credit extension, the use of employment as an adjustment variable, or the growing instability of financial markets.

In short, the study of financialization comprises a number of fairly constant characteristics, to wit:

- a) It often provides macro-sociological approaches where the role played by governments, the state, and corporations is given explanatory precedence.
- b) It is cast as a process that can force itself on individuals, who are relegated to a passive role as mere recipients of the actions of financial capitalism.
- c) It is typically defined from an economic standpoint and, therefore, through variables whose analysis plainly belongs in the realm of economics.

Structurally this phenomenon has been thoroughly identified, which is actually one of its strengths. But that strength is also a weakness, in that the analytical efforts have mostly targeted the abovementioned macro-sociological aspects, with virtually no studies devoted to its workings in everyday life and in people's immediate experience. The notion of "democratization of finance" erupted on the scene as an attempt to fill this void. The phrase alludes, on the one hand, to the growing number of middle- to low-income earners participating in the financial markets as well as the level of such participation, and on the other hand to the whole range of incentives in place for purchasing financial products in order to satisfy housing, health, educational or retirement needs (Erturk *et al.*, 2007). In addition to its descriptive meaning, the democratization of finance has a markedly normative side, especially when viewed as the desired product of an increasingly market-oriented society. A case in point is Robert Shiller, the recent Nobel laureate in economics, who advocates the notion that a comprehensive variety of financial products should be developed to meet the needs of a vast number of customers. In other words, the democratization of finance is viewed as an extension of financial markets, an alluring gate of

access to basic goods and services, for it generates a social order where free individual choice is the prevailing principle (Shiller, 2007). The most visible manifestation of this normative reading can be found in the financial education programs that are being or have been implemented pretty much everywhere. Countries like the United States, the United Kingdom or Australia have pioneered this field, while Portugal has had its own National Plan for Financial Education since 2011 (CNSF, 2011). In general, this type of program seeks to improve people's financial literacy, both quantitatively and qualitatively, while increasing their ability to choose among different products. So ultimately it is the customer who monitors the market and forces institutions to adjust supply according to the needs of well-informed consumers (Bay *et al.*, 2012).

As far as the descriptive version of the democratization of finance is concerned, it is safe to say that the pervasive penetration of the financial world in everyday life and the shaping of individual and family everyday practices are widely acknowledged realities these days (Martin, 2002; Erturk *et al.*, 2005). This pervasiveness is also felt in the sphere of work and wage relations (Alonso and Fernández Rodríguez, 2012), as well as in the media, where financial issues are often presented within the framework of spectacle and entertainment (Harrington, 2008; Clark, Thrift and Tickett, 2004). Thus, this alternative approach to finance as something that is an integral part of everyday practices focuses on micro-sociological aspects, allowing us a first glimpse of what might be the mode of subjectivity associated with such practices.

2. Subjectivity and finance

As mentioned above, financial capitalism has a spirit of its own, linked to a way of thinking and of representing the world and to a set of patterns of emotional and behavioral regulation that interact with practices on a permanent basis. In this connection, there are studies that analyze the use of board games – such as the famous “Cashflow,” based on Robert Kiyosaky's bestselling *Rich Dad Poor Dad* – as an educational tool for developing not only financial skills but also life skills, i.e., a tool for acquiring an all-round personality (Fridman, 2010). Other types of study address the mental and cultural aspects of the development of personal finance policies (Aitken, 2007), or the prototypical mindsets of investors as a function of historical context (Preda, 2005). This is a line of research shared by the present paper, which seeks to underscore a few major points:

- a) Building a subjectivity that befits the financialization process is crucial if the process is to be reproduced and maintained. Thus the process helps develop a certain type of subjectivity while being fostered by it.
- b) This subjectivity is not strictly the result of disciplinary action aimed at breaking the individual's will or resistance. From a Foucauldian point of view, it is rather the product of various arrangements in technologies of government, namely the discourses of experts, the regulations in place, and even the different ways in which individuals choose to implement technologies of self-government (Miller and Rose, 1990).
- c) In order to understand the subjective aspects of financialization it is imperative that we put aside all notions of power as a unilateral imposition emanating from some central entity. A relational concept of power is adopted here instead, coming from multiple sources – state, corporate, business, etc. – and using personal autonomy as a fact upon which the exercise of government is based. In this context, each and every configuration of subjectivity is predicted on the notion of the autonomous individual. It is therefore easy, in an undertaking like the National Plan for Financial Education, to link its provenance and intentionality to formal government bodies and agencies, but in the case of self-help writings such identification is a lot less simple. As we shall see, however, such writings are relevant tools for constructing this financialized subjectivity. We are talking about authors with no professional or partisan connections with the state apparatus, who resort to the world of publishing to offer a specific product for solving issues – such as, among others, debt, consumption, saving and uncertainty – previously identified as problematic.
- d) The seeming banality of financial self-help literature as a tool for constructing subjectivities has to be deconstructed. Ultimately this is a way of foregrounding discourse so as to analyze the concepts, explanations and motives being used to legitimize a given model of conduct and emotionality. Besides and beyond the relationship between language and politics – a relationship that tends to oscillate between homology and ideology – we need an approach based on a dynamic understanding of the relationship between power and knowledge. Hence the Foucauldian angle, with its emphasis on the need to know an object – in the case of FSHL, the Self, one's personality or inner being – in order to govern it: the object will only become governable when it is turned into a knowable, quantifiable and manageable entity, with its inherent traits and limits. It follows that the study of financialized subjectivity cannot do without a scrutiny of the discourses that shape this subjectivity.

Bearing in mind the above guiding principles, we now proceed to explore its configurations as presented in financial self-help texts. To put it succinctly, there is the question of why one should be financially literate, what it means to be financially literate, and how to be literate in technical, vital and behavioral terms.

3. Financial self-help literature (FSHL): Characterization and presentation

We may start out by defining FSHL as a subtype of self-help literature. It creates reflexive programs for behavioral and emotional control, intended to improve one's psychological mindset and adaptation to the social environment. Such programs establish a frame of

reference to guide behavior and affect, facilitating an individual's full inclusion in the specific behavioral patterns of his or her social milieu. By and large, self-help literature as a genre addresses the person's subjective side, and that is the point of departure for the kind of life change that is perceived as satisfactory. Thus self-help resorts to a variety of rhetorical devices, the most common being: a) the use of the second person singular pronoun or of the inclusive "we"; b) the repetitive insistence on a few main points; c) illustration with real life situations and personal accounts; d) interactive, test-based diagnosis; and e) the portraying of readers as endowed with the ability to change their behavioral and emotional conditions. The expository structure usually starts by typifying the problem or situation requiring change, and then proceeds to apply the remedies and solutions prescribed by the legitimizing discourse on which they are grounded.¹ Still, the genre's boundaries are not impermeable, which explains the existence of a somewhat gray area where we find publications that, while not including the whole gamut of paradigmatic features of self-help literature, partake of certain of its elements and show a number of similarities. These include novels, biographies, memoirs, as well as writings on Eastern thought, alternative medicines and body control.

Personal finance is but one of the topics commonly covered by self-help literature. Samuel Smiles' seminal *Self-Help*, first published in 1875, not only coined the phrase but also contained early allusions to savings. The book offered mostly advice to small investors, whose modest capitalist ventures were regarded as those that truly foster civilization and development (Smiles, 1908 [1875]: 341-368). Other classics of the genre, such as Dale Carnegie's *How to Win Friends and Influence People* (1936), or Orison Sweet Marden's *Be Good to Yourself* (1910), also offer self-help content that would later be included in other manuals, drawing parallels between personal psychological growth and the business-oriented mind. The visibility of these manuals increased during the decades of European developmentalism, with issues like corporate management, administration, human resources and emotional management also being addressed (Ampudia de Haro, 2010, 2011).

This visibility is no less felt today. The economic and financial crisis which broke out in 2008 and the austerity policies that followed have produced a social framework in which the whole issue of personal finance rose to new prominence. Whether real or induced, this

¹ The best and most comprehensive characterization of the genre is to be found in Papalini (2008). For a shorter version, see Papalini (2010).

prominence is actually linked to a public discourse that sees bankruptcy as the single major threat to the social order (Ampudia de Haro, 2014). This context has presented the publishing industry with a window of opportunity, generating a proliferation of publications that offer individualized solutions for financial problems as a way of effecting personal change. Bookstores, airports, shopping malls and highway service areas are the preferred 'habitat' of these publications. In addition to the genre's customary conventions, today's financial self-help writings present the following specific traits:

- a) The reflexive splitting of the individual as both subject and object of outside help applies primarily to economic and financial matters, and more specifically to household budgeting and to savings and investment planning.
- b) These are not technical manuals, nor are they guides for disseminating economic knowledge. The financial content is indissociable from their wider intent with regard to the behavioral and emotional change that the financial moves are supposed to effect. Generally speaking, financial self-help literature is not only a source of knowledge, but also, and above all, a source of personal change.
- c) Their reason to exist, according to their authors, lies in the fact that they are tools for dealing with the crisis. This categorization is also the reason why these writings tend to address the country's economic situation, thereby somehow justifying the need to turn to financial self-help.
- d) The authors' self-legitimation is affirmed either by their status as finance experts or by their professional experience as specialists or journalists in the field of economics.
- e) These writings involve a twofold dialectic: on one hand they clearly seek to inculcate a model of financial self-regulation – and therein lies their potential for creating something new – but on the other hand they exemplify and speak for those pre-existing models of self-regulation, which gives them the ability to reflect current behavioral patterns.

Selections are always arbitrary. I am not including a number of books that happen to exhibit the same characteristics as the ones analyzed here. Therefore the authors and titles under analysis could well not be the ones mentioned below, but the type of discourse would not be significantly different. My list does not follow a logic of probabilistic representativeness, as it does not attempt to reproduce the target universe under analysis, i.e., all financial self-help books available on the market. Structural representativeness is what is aimed at here instead. In other words, an analysis is offered of the most significant discourses produced by FSHL, or the most common whenever the issue of personal finance is addressed (Ibáñez, 1985). Once the basics of this type of discourse are outlined, we will be in a position to critically analyze the subjectivity model we have before us, and to begin to interpret it theoretically.

Presenting the books

The analysis is based on the following books:

- a) *Como salvar a minha reforma* [How to save my pension] (2011), by David Almas and Joaquim Madrinha. This book, by two economics journalists with degrees in finance and e-business, addresses the topic of personal finance in the context of the social security system crisis – which supposedly is reason enough, or so the authors argue, for people to opt for private pension savings plans in order to ensure their means of sustenance upon retirement. According to the “Management Books” ranking published in *Diário Económico*, a Portuguese newspaper, it remained among the ten best selling books in the period April-June 2011.
- b) *Seja mais esperto do que a crise* [Outsmart the crisis] (2009), by Luís Ferreira Lopes. With a long career in journalism, namely in the area of economics, the author is the current economics editor for SIC Notícias TV channel. Moreover, the book includes a prologue by Marcelo Rebelo de Sousa, a law professor and well-known political commentator, arguing for its relevance in the present context. The main focus is on everyday saving practices, the small daily gestures that allow for significant gains in the long haul.
- c) *O seu primeiro milhão. Como poupar e fazer crescer o seu dinheiro* [Your first million. How to save your money and make it grow] (2013), by Pedro Carrilho Queiroga. An “anti-crisis” publication is how the cover announces this book by the founder of Kash Finanças Pessoais [Kash Personal Finance], a pioneering company in the field of financial education in Portugal. With a title that is both commercially appealing and conventional in terms of self-help literature, it explores the relationship between savings and investment, viewing them as two sides of the same coin and at the service of one single purpose: life change.
- d) *Como esticar o salário e encurtar o mês* [How to stretch your paycheck and shorten your month] (2009), by Camilo Lourenço. This is another case of a journalist specializing in economics and finance. Much of what is in this book was first aired on such radio and TV programs as “Moneybox” or “A cor do dinheiro” [The Color of Money]. Again, a wide range of suggestions and advice are offered on how to save on a daily basis and, to a lesser extent, on how to turn those savings into future income through investment.
- e) *O que os ricos sabem e não contam. Manual de finanças para mudar a sua vida* [What the rich know and will not tell you. A finance manual to change your life] (2008), by Aitor Zárate. An expert in international taxation and the Chicago futures market, the author offers a digest of his personal knowledge about investment and savings as a method for changing one’s life. Instead of the more traditional, expository style used by the abovementioned authors, Zárate adopts a narrative, dialogue-based format delivered by two main characters: Roberto, who has a personal method for getting rich, and José, a student who wants to know about the method. The book is a perfect example of the transnational, transtextual and transcommercial nature of FSHL. It was originally published in Spanish and has gone through seven editions in Spain alone. The original title – *Cambio de vida. Cómo me hice rico* [Changing one’s life. How I became rich] – was not used in the Portuguese translation, as the publisher opted for an adaptation of Brian Sher’s 2001 classic *What Rich People Know and Desperately Want to Keep a Secret*, using the cover of the Brazilian edition.
- f) *Vacas magras, porcos gordos. Manual de boas práticas para conservar e fazer crescer o seu dinheiro* [Lean cows, fat pigs. A manual of good practices to save your money and make it grow] (2011), by José Manuel Ribeiro Malarmey. An introduction by the CEO of Liberty

Insurance Portugal claims the book should be a must read in this country of “cicadas and ants.” The main emphasis is on the question of everyday savings and how it relates to investment as a way of ensuring future financial security.

4. The contents of financial self-help

4.1. The FSHL diagnosis: Cognitive and ethical shortcomings of the Portuguese

FSHL discourse begins with a description of the social context that is the reason for the discourse to exist in the first place, providing a general explanation of the factors underlying the Portuguese crisis. The factors in question are basically two: consumerism and debt. They are interconnected, and have an individual as well as a national dimension. If on the one hand the shortcomings, or cognitive-ethical deficiencies, of the Portuguese with regard to consumption and credit can be ascribed to specific individuals, on the other hand when such specific behavior becomes pervasive, the result is an over-indebted country. Therefore the sum of the parts – which is to say, all this financially uncontrolled individual behavior – is exactly equal to the whole, and it spells a nation in distress.

Let us start with the ethical shortcomings. “For 500 years, since the Discoveries, the Portuguese have lived beyond their means” (Lopes, 2009: 74). Portugal, it is said, has developed anomalous standards of ostentation, displaying goods and patterns of conduct that belie its actual material circumstances. In the past, there were the ships loaded with spices to mask the taste of foods, the “tacky exhibitionism” (*ibidem*: 73) decried by Eça de Queiroz, or the opportunistic land developers of the post-1974 period. With the arrival of the euro, the country kept pursuing those standards of ostentation, embracing the “debt craze at a time when interest rates were at a historic low” (*ibidem*). Here’s your “Honus (*sic*) Lusitanus,” with his “delusions of grandeur, especially on the part of the middle- and lower-middle classes” (*ibidem*: 123). Homo Lusitanus then comes alive as an ideal type the reader can easily relate to: “the typical Santos family” (*ibidem*). The Santos, a perfect illustration of the average middle-class Portuguese family, lives in a cycle of consumption, credit and debt:

The couple is paying off two car loans, plus the monthly payments on the house. Next they took out a loan to buy a new TV set [...]. Then the children would not stop asking for a PlayStation or a Wii. The kitchen received the new dishwasher and washing machine, in addition to the fridge-freezer combo. Oh, I almost forgot to mention those overseas holidays. And all this at an interest rate I will not even go into now. (*ibidem*: 128)

The guiding metaphor to describe this phenomenon is that of the cicada and the ant. It illustrates “the roots of the self-inflicted problems we are facing today” (Ribeiro, 2011: 10),

problems arising from “the delusions of easily available credit” (Lopes, 2009: 20), or from the shopping mania when the country went from a culture of traditional saving to a culture of consumption (Lourenço, 2009: 40). The embodiment of traditional culture is Senhor Manuel,

[...] who lives down the street from us, only buys and consumes the things he needs and has serious saving habits [...], he does not wear designer clothes nor does he own a cutting-edge mobile phone; not to mention that car he drives around in, or the shoemaker who mends his shoes. (Ribeiro, 2011: 17)

In a word, the lure of consumption has pushed financial recklessness to a considerable level, and caused a lack of long-term foresight and unwillingness to put off gratification (Carrilho, 2013: 40), thus giving rise to collective financial irresponsibility.

Alongside the ethical deficiencies there are the cognitive shortcomings, which also help explain this irresponsibility. The latter have to do with the fact that the Portuguese have poor financial literacy skills and insufficient knowledge about money in general.

Another typical illustration would be Senhora Maria, described by Camilo Lourenço. She applies for a loan to pay for a new car upfront. She knows that the monthly installments total 300 euros, but only later does she find out that the interest is 17%, and that canceling after signing the loan documents carries penalties: “What does Senhora Maria’s case tell us? The average Portuguese is lacking in financial literacy: people do not budget, and so they fail to estimate the impact of their decisions in the medium and long term, their sole concern being to have access to certain goods or services” (Lourenço, 2009: 44). The remedy for financial illiteracy is financial education. Its goal is to adequately understand money – in other words, “to make sure that such lack of awareness and lack of respect for money and its inherent value is not perpetuated in future generations” (Ribeiro, 2011: 12). Thus, once the shortcomings are identified, a process is set in motion whereby people try to “help themselves” financially: they then start to learn financial responsibility, embarking on what is also a path of personal transformation.

4.2. Who am I, finance-wise?

As with any other exercise in self-help, in this case “helping oneself” involves the issues every person has to address, so it is not just a matter of knowing the state of one’s personal finances. Before anything else, it is a comprehensive questioning of the self, since it is up to the self to determine how to manage one’s money. Knowledge of one’s financial situation is a way of attaining self-knowledge, and therefore the technical details of finance are

inseparable from one's psychological makeup. But not every author of self-help books emphasizes this connection in an explicit manner. The technique required for self-knowledge is viewed as essential, even when the authors claim that theirs is not a self-help book:

This is not one of those somewhat esoteric self-help books, but it is important that we go through these questions first, if we are to understand the extent of our debt and how badly we need to change our consumption or lifestyle patterns. (Lopes 2009: 157)

As it happens, there are several questions that have to be answered. So if you intend to be honest with yourself, first you will ask yourself whether you are aware of inflation, of having made any emotional investments and purchases, of a tendency to refinance debt when taking out new loans (*ibidem*: 158), or of your willingness to put your accounts in order by budgeting expenses and income (Ribeiro, 2011: 13; Lourenço 2009: 23). The next step in this self-inquiry makes you question yourself about finances as a manifestation of the Self, of your inner being, that which determines your uniqueness and authenticity as an individual. Self-knowledge allows you to delimit the factors that depend on personal control, thus removing from the equation those that tend to escape control. Self-help typically meets the duality of our inner and outer dimensions with the same solution: to move away "from the external circumstances we cannot control and come up with our own responses and actions" (Carrilho, 2013: 10). Financial responsibility is the product of work involving the self and grounded in self-knowledge, because first we must know where we belong, in what way we are productive, what our values and our strengths are: "It is by putting our strengths to work that we will be able to make a difference both in the workplace and in our lives. This work toward self-knowledge must be carried out at all times" (*ibidem*: 30). Before us is a "path of personal growth" (Zárate, 2008: 13). Finance has an expressive side: it speaks publicly about a person's distinctive core and allows that core to manifest *itself*, while at the same time the managing of finance helps shape the person's subjectivity.

Financial literacy, by extension, is the precondition for unmasking a reality, a social order or a cultural norm that is harmful to the individual. It serves a demystifying purpose, piercing the veil of appearances to get to the truth. It is therefore necessary to go beyond whatever is defined as conventional, normal or possible. This notion is somehow articulated in terms of a paradigm shift or a new perspective on money (Carrilho, 2013: 27). The new perspective supposedly carries an emancipatory meaning: understanding how money works allows you to be your own master, which is another way of saying that it will get you off the "rat race,"

that senseless spiral in which one can barely make ends meet, “working to pay the bills, like a mouse running endlessly on a wheel but not really getting anywhere” (*ibidem*: 38). A stronger view calls for a radical change in the way we see money, claiming that “virtually everything is a lie” (Zárate, 2008: 12). It is imperative, according to this view, to ignore financial beliefs, “everything we’ve been taught since early childhood and in college, as well as all the stuff they bombard us with every single day through the media” (*ibidem*: 12). A complete break is in order: “we’re going to see how the world of money with its rules truly works [...]; you’re going to hear ideas that clash head on with everything you’ve been instilled with” (*ibidem*: 14). Whereas before the goal was to get off “the rat race,” now the acceptance of the truth about the world of money ought to keep you from “following the herd”: first paycheck, first expenses, first home, first mortgage, salary increase, more expenses, new home, more borrowing, more debt. To get out of this vicious circle “we have to start thinking of generating assets that generate assets rather than earning money to buy liabilities, which is what most people do, and is financially very stupid too” (*ibidem*: 43).

4.3. What to do and how to do it: The plan and its rationale

As soon as one understands the social framework that accounts for the need for financial self-help and sees one’s particular financial situation more clearly, it is time to develop a plan of action in accordance with the books’ prescribed solutions. The plan points to two complementary aspects that are part of a dual strategy aimed at achieving financial success: capitalization and saving.

The “power of capitalization” (Almas & Madrinha, 2011: 108) is based on the accumulation of interest over time. This entails an assessment of the risk you are willing to take (Ribeiro, 2011: 166), which in turn determines your profile as an investor, ranging from “very conservative” to “very aggressive” (Almas & Madrinha, 2011: 114). It is therefore advisable to start investing as early as possible, since it potentially “leads to more risk-taking and a higher rate of return [...]. They can afford the occasional loss” (*ibidem*: 108), as losses will be compensated for by future profits. For this, you don’t even have to be an expert: just stay away from “wacky products,” make “cold, well thought out” choices, do not pay subscription fees, and avoid exchange rate risks (*ibidem*: 125-126).

The power of capitalization is closely linked to the process of “inventing money,” an inherent trait of entrepreneurs:

These are the kind of people who are always open to novel business ideas, new ways of capitalizing on their savings. I can assure you that by incorporating this mindset in your daily routine, more money is bound to enter your lives, and with minimum effort. (Carrilho, 2013: 57)

The notion of the dependent person looking for security and a fixed wage gives way to intelligence and integrity, *i.e.*, to the alignment of the desire for profit with one's life values, which is the basis of financial independence. In other words, we're talking about never having to work for money again.

The "power of saving" requires that a number of constraints be imposed on the family and personal budget, which in time will allow you to generate a fund to be used for financial investments: "And at this point the main advice is: save, no matter what. Even in families with budgets so tight that money hardly covers monthly expenses, the watchword has to be 'save'" (Lourenço 2009: 22). Beyond this initial call, the range of suggestions and advice is pretty much the same across all these books: do not smoke, do not have breakfast out, use public transportation, cut back on your cell phone, cable TV and high speed internet bills (Almas & Madrinha, 2011: 129-136), use ecological light bulbs and turn off taps tightly, buy white label products (Lopes, 2009: 160), reduce or eliminate credit cards and vacation home rentals, share or exchange services with your neighbors, go to the library, wait for the movies to come out on DVD (Carrilho, 2013: 76-82), do not let the children help with the shopping list, do not make any purchases in the check-out line, do not buy designer clothes for the children, do not drive aggressively, switch off appliances in standby mode, insulate your house effectively, and make sure you always close the fridge door (Lourenço, 2009: 91).

Since saving is always a potential investment, savers are also investors who do not have to be experts. All they need is some basic knowledge to guide their decisions. Thus a very simple understanding of the workings of Euribor, for instance, will be enough for "any of us to make a relatively good guess as to what will happen next in the interest rate market: when there is a risk of rising inflation, the rates go up; when the risk subsides, rates go down" (*ibidem*: 133). The combined power of capitalization and saving is the only way to ensure that individual material needs are provided for, both at present and in the future. It is also the only way to reduce uncertainty in the face of the unknown. It is a personal goal, an obligation each individual has to face and that cannot be shifted to anybody else. Hence the need for a plan.

Until now the existence of a social welfare system prevented this uncertainty from making itself felt at the material and existential level, but the situation is quite different at present, a fact used by FSHL to justify the pertinence of its advice: “We wish to impress upon you that although the current financial crisis is surely a passing thing, the bankruptcy of social security is a given” (Almas & Madrinha, 2011: 22). The end of the Social Security Financial Stabilization Fund is due to occur shortly after 2035 (*ibidem*: 47), which is a bit far into the future when compared with other predictions: “Given today’s social and economic uncertainties and considering also the way social security funds are being managed and distributed, as well as current demographic trends, we do not even know if in ten years’ time we will still be entitled to a pension, or if social security will exist at all” (*ibidem*: 167). The only truly responsible way out is to take control of one’s life instead of waiting for institutions to come to the rescue: “Because we ourselves, not the government, are primarily and ultimately responsible for our own destiny” (Loureço, 2009: 21). Accountability and its underlying logic take on not only a material significance, as a guarantee of fulfillment of future needs, but an expressive significance as well, for it tells us about the personality – what, in essence, the individual is.

The pursuit of this logic, under which financial self-responsibility is a precondition for financial freedom and for a real emancipation from market structures, is also covered by FSHL. Utilitarian individualism, which claims that self-interest is the main driver of human action, and expressive individualism, which views personal subjectivity as the core of identity (Bellah *et al*, 1989, p. 54-58, 394-395), are associated here with savings and investment strategies and with the development of the Self, giving shape to an anarcho-capitalist type of discourse (Brown, 1997; Streeter, 1999). This is best illustrated by Aitor Zárte, who claims that what is important is to follow a radically divergent path from that of the masses: “Leave the trodden path, do not walk a straight line, and you’re guaranteed to succeed” (Zárte, 2008: 22). At the same time, divergence is congruent with the lack of security and assurance, which are incentives to constant change: “[...] so much the better, as it will allow us to improve” (*ibidem*: 39). The key is not to be part of the “system,” which in this respect is associated with the social security contributions you want to avoid. Those who keep contributing because they think that is the only way they are prevented from spending their pension money in the present, only show their “level of ignorance and irresponsibility [...]”; we must think we can help ourselves and not expect others to do so” (*ibidem*: 128). Each of

us must create conditions to ensure our own security and certainty both in the present and the future. You may complement your investment practices by setting up “tax structures,” i.e., a “legal mechanism that allows you to take advantage of the different legal frameworks in place across the world to pay less taxes” (*ibidem*: 31), which in any event should not exceed 5% of the profits. Tax evasion is “a sin, a legal offense,” but tax elusion “is neither” (*ibidem*: 166). Zárte eventually offers a few examples, which however tend to be vague: “I will allude to just one such structure as an illustration [...] but if you are smart you’ll know what’s what” (*ibidem*: 166). The illustrations are tips on the most tax-favorable places. Ireland offers favorable conditions to writers, Denmark is recommended in the case of royalties, the Netherlands are for brokerage firms, Monaco makes it easy to get a fiscal residence certificate, and a Swiss bank account is a solution one should always consider (*ibidem*: 168).

5. Neoliberal rationality and financial self-help

There is nothing new about the discourse of FSHL on financial responsibility and the need to correct one’s cognitive and ethical shortcomings with regard to money. It shares some obvious similarities with the discourse we hear from political figures, business leaders, or economics and finance experts. In other words, certain arguments and accounts of the crisis and the Portuguese situation, along with some of the advice and recommendations on financial matters, are widespread in the media and not just in FSHL. The following statements, addressing some of the topics discussed above, are a brief illustration of this prevalence:

- a) Pedro Seixas Vales, president of the Associação Portuguesa de Seguradores [Portuguese Association of Insurers]: “financial literacy must grow in Portugal” (RTP, 31 October 2011).
- b) Aníbal Cavaco Silva, President of Portugal: “We cannot continue to live above our means” (*Jornal de Notícias*, 16 May 2011).
- c) Vítor Bento, economist, president of SIBS – Sociedade Interbancária de Serviços [Interbank Services Society] and Councillor of State: “Economist [Vítor Bento] says the crisis is the result of the Portuguese having lived like cicadas” (*Jornal de Notícias*, 26th May 2011).
- d) João Salgueiro, president of Associação Portuguesa de Bancos [Portuguese Banking Association]: “Portuguese guilty of debt” (*Correio da Manhã*, 25 September 2008).
- e) Carlos Costa, Governor of the Bank of Portugal: “The Portuguese should use credit in a more responsible manner” (*Diário de Notícias*, 18 October 2012).

These statements express the same kind of political rationality, namely a neoliberal political rationality. The concept of political rationality – drawing on Michel Foucault's work on the relationship between power, knowledge and subjectivity – has been explored and empirically substantiated by governmentality studies. It describes the goals pursued in the exercise of power, the theoretical principles underlying those goals, and how the nature of the governed subjects is perceived (Rose and Miller, 1992: 178; Marinis, 1999: 87-88). In this light, neoliberalism is not to be approached as a political philosophy, an ideology or a particular kind of market-oriented public policy, but rather as basically a way of articulating those goals, principles and notions about the individual, according to a specific lexicon and a discourse that conceive of the governed subject as autonomous and initiative-driven. Initiative makes it possible to exercise power more sparingly (Ampudia de Haro, 2006: 66-67), which means that individuals will have to contribute toward their own self-government to the best of their ability. But the individual is not viewed as a body to be disciplined and whose resistance has to be overcome (Vázquez García, 2005: 178). As pointed out, the governed are counted on to align or redirect their autonomy in consonance with the goals of the government.

When I say that FSHL is an expression of neoliberal rationality I mean to underscore its status as a technology of government – in other words, the fact that it is a product that generates a specific knowledge and a specific truth that in turn legitimize intervention in personal behavior and subjectivity. But what kind of truth and knowledge does FSHL generate?

- a) It identifies the type of cognitive and ethical shortcomings that make financial self-regulation impossible or difficult for the Portuguese.
- b) It states that these combined shortcomings account for the crisis Portuguese society as a whole is currently facing. Each individual's shortcomings and inability to self-regulate produce one negative collective outcome: a country on the brink of bankruptcy.
- c) It claims that such deficiencies can only be corrected by developing financial responsibility and the ability to take control of one's financial situation. We are dealing here with a transformation not just in technical terms – possessing financial knowledge – but also in terms of personal life, i.e., being capable of taking on the task of governing oneself.
- d) It proclaims that this is a crucial task in a social and collective environment which is seen, on the one hand, as beset by failure and exhaustion (ascribed to unsustainable and irrational patterns of consumption or to the disappearance of the welfare state); and on the other, as the result of paternalistic manipulation, associated with a culture of dependence and submission *vis-à-vis* the institutions of the welfare state.

In light of these truths and this knowledge, all action taken to affect the behavior and subjectivity of individuals is imbued with a very specific intent: financially responsible self-government based on saving and investment. When the social is defined in terms of failure, exhaustion, manipulation, dependence or domination, self-government is the only responsible way out to fend off life risks: “Keep in mind that if we don’t look after ourselves, no one will. It is up to each and every one of us to increase our income and generate wealth” (Carrilho, 2013: 73). But we must not forget that responsible self-government takes place in the market: investment and capitalization, effected through the financial markets, is what allows individuals to protect themselves against risk and make sure that their needs are met. In short, FSHL is one more tool made available by the market so that they can manage risk through the market. Therefore all the uncertainty caused by those risks is less felt when people are financially responsible. Or, to put it differently, to be left at the mercy of uncertainty is just a sign of individual irresponsibility.

We could say that what we have here is simply an updated version of your archetypical individual guided by the principle of utterly traditional prudence – which would take us back to the abovementioned Senhor Manuel, a model saver, or to Grandma Clara with her strict budgeting of household income and expenditure as a means of anticipating financial decisions (Lourengo, 2009: 23). When we put it this way, prudence is associated with the expectation of income growth, the deferral of gratification and, more importantly, risk aversion (Erturk *et al.*, 2005). However, this is not quite in tune with the type of individual envisioned by neoliberal rationality in general and FSHL in particular. It will be more appropriate then to speak of a *new prudentialism* (O'Malley, 1996: 203), which views risk as something positive, an opportunity that one can manage in a deliberate way. This presupposes that the individual chooses the risk level he/she is willing to accept, the premise being that the existence of risk should never be an excuse for not investing:

If your main goal is to eschew all worries, you are sure to remain poor. Life should be an adventure, and worrying is an inner pleasure principle. If given the option to choose between being poor and being worried, I'll choose worried. Only by placing a portion of your money at risk, a fairly controlled risk, will you be able to make it grow more than that of those who do not own much. (Carrilho, 2013: 115)

6. In conclusion

It is often the case that economic phenomena are presented as macro-structural processes that tend to stand out by reason of their sheer magnitude. To put it figuratively, if less accurately, they win over you without needing to win you over. The present article argues the opposite: winning you over is an intrinsic part of the rise of financialization. The human archetype projected by FSHL entails a particular subjectivity, suited to the needs and requirements of financial markets. Thus a genre that might seem negligible or anecdotal is shaped into a tool for producing a way of understanding behavior and emotions. The subjectivity model generated by FSHL systematically addresses issues like consumption and debt, not just from a technical point of view, but also and primarily in terms of personal transformation. This personal transformation has one fundamental goal: individual self-government based on the imperative of personal responsibility. At a time when the end of the collective welfare system is being announced and life risks are being transferred to each of us, we should look at those risks as a creative opportunity to guarantee security and fight uncertainty by using the resources provided by the market. FSHL offers a description of the type of subjectivity that needs to be developed for this purpose, but it has a normative component as well: in the context of financialization, this subjectivity is not only functionally adaptive but also desirable. It is desirable because financial irresponsibility is precisely what has caused the current crisis in our society. Being irresponsible is failing to correct those cognitive and ethical deficiencies and shortcomings that FSHL purports to set right. For this reason, irresponsible behavior is bound to pose a risk to society, as its pervasive spread could push the country into bankruptcy. Hence the notion of “cognitive delinquency” (Walker, 2012), having to do with a) the negation of the process whereby risk is socially produced and unevenly distributed by force of one’s social standing; and b) the growing individualization of risk and the commodification of the resources available to control or explore it in financial terms. Based on this, we are to exercise this responsibility by using the means offered by the market and under the conditions stipulated by it – supposedly an exercise in civics, in which participation in the public sphere is traded for private engagement in financial matters.

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Beyond Binarism? Intersex as an Epistemological and Political Challenge*

Sexual difference combines various aspects, ranging from the biological to the social, which, once delimited, reduce people to two political categories: woman and man. Although these categories are not naturally watertight, most societies reject diversity (understood as deformity) in favour of a binary sexual system. This article aims to deconstruct this binarism, suggesting that it is not coherent to speak of two sexes, but rather of a multiplicity. Based on feminist theory, queer theory and philosophy, the text develops a reflection on intersex, showing how it has been considered at different times. It also addresses the history of sexual regulation and discusses its causes and effects. Reflection on the concept of human being, which till now excluded intersex – by and large placed beyond the limits of the possible – leads to the interconnection of Butler's definition of the *livable life* with Derrida's notion of *unconditional hospitality*, which may be the key to the recognition of intersex as a human category.

Keywords: hospitality; intersexuality; human being; sexual system.

Introduction: Defining the field

In an interview to *La Vanguardia* (Amela, 2008), the philosopher Beatriz Preciado, asked about her identity as man or woman, replied: "That question reflects an anxious Western obsession [...] with wanting to reduce the truth of sex to a binomial." The Western sexual system, like most systems in the rest of the world, only allows for two sexes, something that is accepted as dogmatic truth and reproduced by most people. But to what extent is that binarism valid? And what are its consequences?

Human beings are meticulously measured and regulated inside and out, so that no one remains outside the recognised categories of "man" and "woman." However, there are people whose primary or secondary sexual characteristics do not fulfill medical and/or social requirements for inclusion in one or the other group. Sometimes there may be doubt about the genital sex at birth: the erectile organ may be too big for a "normal" clitoris or too small for a "normal" penis; the genitalia may be anatomically female but the vaginal labia include testicles; or they may include both penis and vagina. But it is not just at birth that ambiguities are found. What at the outset might seem "normal" may later reveal discrepancies in the genital organs and/or secondary sexual characteristics.

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For intersex people, who physically defy sexual binarism, hormonal and/or surgical treatment¹ is imposed as a necessity, without alternatives (Fausto-Sterling, 2000a; Dreger, 2003). This basically involves a violation of the body² using technologies to “normalize” it aesthetically so that it can be included in a category that is recognisably human, in Butler’s sense (2004).³ Ideally undertaken at an early age, these “violations” do not just leave scars; they are physically imprinted upon a sex that transports with it an identity which, on its own, dictates part of the destiny of someone that never had any power of choice, something that can result in serious psychological consequences (Dreger, 1998).

The “treatment” for intersexuality (i.e. a medical solution designed to “correct”/ “normalize” and transform the intersex into one of the two recognised sexual categories) rests on ideologically consolidated grounds: machismo and sexism allied to heterosexuality (Santos, 2012). Contemporary medical models of sexual differentiation reflect the traditional connotations of masculine with activity and feminine with passivity (Preves, 2005: 26). Heterosexism is reflected in the main criterion used to assess the success of a treatment: sexual relations with the opposite sex (Fausto-Sterling, 2000b). A treatment is considered successful when the new sex coincides with the sexual identity to which that sex is associated and to the corresponding heteronormative orientation – for example, when a person who has been reassigned to the female sex duly complies with the stereotypes associated with that sex, assuming herself to be a heterosexual “feminine” woman (which brings aesthetic and behavioural implications). Thus, the success of treatment depends upon the congruence, from a heterosexual point of view, of sexual identity and the sex of creation (the sex to which the person has been reassigned).⁴ Cases in which there is a congenital absence of a vagina in a woman also bear witness to this triple ideology. This condition, known as Mayer-Rokitansky Syndrome or Müllerian agenesis is characterized by the

¹ Body modification techniques include sex reassignment surgery (SRS), hormone replacement therapy (HRT), mastectomy, vaginoplasty or phalloplasty.

² Intersex bodies are violated with the most sophisticated techniques. But, recalling Butler, all bodies are in fact violated. This philosopher claims that sexual categories operate as violations as they are not chosen but imposed, penalizing anyone who dares to refuse the norms established for each category (consequences may involve loss of employment, loss of parental rights, and even loss of life, among others) (Butler, 2004: 213-214).

³ The question of human categories is explored in Section 2 of this article, “Recognition and humanity”, based on Judith Butler, who theorizes on the categories that qualify as recognisably human.

⁴ The way intersex is conceived is dominated by a series of engendered powers (medical, social, family, etc.). These powers are grounded in what Judith Butler first called the ‘heterosexual matrix’, in *Gender Trouble*, and later ‘heterosexual hegemony’. The sexual matrix involves the norms that regulate subjects so that biological sex, sexual identity and desire work harmoniously together from the point of view of heterosexual logic.

incomplete formation of the vagina, cervix, urethra and/or Fallopian tubes in individuals with 46, XX genetic karyotype.⁵ Women born without a vagina undergo one or more surgical procedures accompanied by a painful process of dilation. This is done so that the women are able to have (hetero)sexual relations with vaginal penetration by a penis of “normal” size, even though this does not bring any physical pleasure to the women.⁶

In observing the genitalia of the newborn child, obstetricians stipulate the sex in accordance with the average dimensions and visual schema that they have in their minds. Thus, the sex does not depend upon its nature or on the way it appears, but the way in which it is perceived. Let us consider, as an example, the size of the erectile organ at birth: a penis that is less than 2.5 cm will be perceived as unable to penetrate a vagina in the future, and may therefore be amputated and a neovagina created. The sexes are thus cultural interpretations, and may be “repaired” if the size or shape is not considered acceptable (i.e. does not fall within “normal” parameters, in the medical and common understanding). Sexual variations are not limited to two, much less sexual or gender identity. If there were a consequential relationship between anatomical sex and gender, there would have to be space for a series of correspondences between other genital variations and genders.

Intersex, and the inability to deal with it, shows that the sexual system that dominates in the West is inadequate to express the highly varied spectrum of sexuality. As Anne Fausto-Sterling suggests in her famous article “The Five Sexes”, published in 1993 in the journal *The Sciences*, “there are many gradations running from female to male” (21). The existence of intersex destabilizes the binary models of woman/man, female/male, homosexual/heterosexual. Intersexuality is usually divided broadly into true hermaphroditism and pseudohermaphroditism, but there are other “normative ambiguities,” which are mentioned less because they are less common. There may also be unusual features in the genitals that

⁵ XX and XY are pairs of sexual chromosomes, with the XX pair connoting the female sex and XY the male. There are 46 chromosomes in a somatic cell. However, the number of sexual chromosomes per cell may be greater or smaller than two. If a person has only one X chromosome in each cell, then s/he will have a 45, X0 karyotype; if s/he has three chromosomes in each cell, s/he will have a 47, XXY or 47, XYY karyotype. There are several chromosomal possibilities that may be considered to be of the intersex type.

⁶ Esther Morris, author of “The Missing Vagina Monologue”, was born without a vagina and when this was discovered, when she was 13, she underwent four operations to create a neovagina. When she began (hetero)sexual activity, she felt revolted, as everything she had gone through had not brought anything positive for her body. “After all that trouble, I discovered that a penis would respond to anything. I felt abused in the most intangible way, victim of arrogance and assumption” (Morris, 2001: 4).

are not classified as belonging to the intersex type, such as macroclitoris and hypospadias.⁷ For this reason, it is difficult to obtain a reliable percentage of intersex births. Quoting Alice Dreger (2003: 40-42), “it is not possible to provide with any great certainty a statistic of the frequency of births in which the child's sex falls into question [...]. Such a statistic is always necessarily culture specific.”

Dreger (*ibidem*) explores this impossibility of obtaining a universal statistic for the number of cases of intersexuality. For example, there is the so-called deficiency in the enzyme 5-alpha-reductase (5-AR) – responsible for one of two possible causes of male pseudohermaphroditism and which is genetic in cause: in isolated places where intermarriage occurs, the lack of genetic variety contributes to a preponderance of that enzyme variation in the genes, if it has previously been present in some lineage. In isolated regions of the Dominican Republic, there is a population that manifests much greater frequency of this deficiency due to lack of genetic variety (Dreger, 2003: 40; Preves, 2005: 40), so that the tendency for this kind of male pseudohermaphroditism is probably greater there than anywhere else. The cultural factor is also relevant to this question of statistical data: there are, for example, cultures in which the sex is rarely examined, which makes it impossible to know and record the incidence rate. Cultures that consider large clitorises or small penises to be unacceptable will tend to present statistically more cases of intersexuality than those that consider them to be of “normal” size (Dreger, 2003: 42). The generational factor is also relevant: we might recall the hormonal treatment given to many women in the United States in 1960 to prevent miscarriage, which led to a surge in births of children with congenital adrenal hyperplasia (*ibidem*: 41). Nevertheless, Dreger suggests an incidence rate of one to three cases of intersex for every two hundred births in the United States (*ibidem*: 42), while Sharon Preves (2005: 2), based on an exhaustive survey of the medical literature, indicates one to four cases of intersex for every hundred births.

Thus, the notion and naming of intersex differs from culture to culture and from generation to generation. For Aristotle, hermaphroditism involved the existence of an extra, non-functional, sex, which was added onto the true functional sex like a tumour. The cause

⁷ Hypospadias is a condition in which the urethra does not open onto the gland of the penis but somewhere along it, which makes it difficult to urinate standing up. This is of course highly symbolic for masculinity, which is why it is considered important to operate early.

of such “deformities” lay in the quantity of matter supplied by the mother (Long, 2006: 14).⁸ Until the 19th century, the male genitalia were seen as superior to the female, and the female genitalia were considered to be an underdeveloped version of the male, an unfinished organ (Dreger, 2003: 34). Thus, if a woman had “overdeveloped” genital organs, she would be similar to a hermaphrodite or to a man, while a man with “underdeveloped” genital organs would be similar to a woman or to a hermaphrodite (*ibidem*: 35). In the *Medical Encyclopedia* (Watson, 1900: 491), hermaphroditism is presented as a camouflaging of the true sex by means of malformations, and the term is still applied to cases where individuals present gonads from both sexes.

In the sphere of biology, the term “intersexuality” was first used by the geneticist Richard Goldschmidt in his article “Intersexuality and the Endocrine Aspect of Sex,” published in the journal *Endocrinology* in 1917, in which he refers to a series of sexual ambiguities, including hermaphroditism (Dreger, 2003: 31). However, the term had already been used by other authors to refer to homo- and bisexuality, and even Goldschmidt considered homosexuality to be a form of intersexuality. The word “Intersexuality” gained popularity following his article as a replacement for the term hermaphroditism, and has prevailed in medical literature since the middle of the 20th century. Today, it is used in biomedicine to refer to sexual variations in relation to the external genitalia or other features. In short, we might say that intersex is the circumstance in which the harmony between the sexual chromosomes, sexual hormones, genitalia, gonads (testicles and ovaries) and secondary sexual characteristics evades the criteria stipulated for the categorization of a person as male or female, which makes it impossible to determine their “overall sex.”

This article begins by describing the processes of sexual regulation in the West, paying special attention to the way intersex is subjected to those processes while challenging them at the same time. Foucault’s *History of Sexuality* will serve to demonstrate the parallelism that has run through intersex bodies since the Middle Ages, with a focus on their power of transgressing laws. His notion of *biopower* also helps us understand the processes of control of human life, specifically the sexual control of the population that began in modern Western societies in the 18th century and continues to this day. Judith Butler’s notion of

⁸ According to Aristotle, the mother provides the “substance” (or matter) and the father the “form” (specific characteristics). This belief is grounded in his hylomorphic theory, which holds that everything is composed of matter and form.

recognition (from *Undoing Gender*, 2004) is useful for discussing sexual regulation, since only people who have been subjected to processes of regulation are recognised as human beings and can have a *livable life*. Finally, Derrida's notion of *hospitality* is used to suggest a possible solution for achieving a *livable life* for that category that has not yet achieved *recognition* – the category of intersex.

1. Sexual regulation and normativities

Transsexuals, homosexuals and intersex people have always existed.⁹ However, they have tended throughout history to be classified as anomalous or sick. Let us examine some of the factors underlying this tendency.

Sexual difference and apparent anatomic fact serve only to legitimize political organization (Preciado, 2008: 61-62) and perpetuate power relations.¹⁰ When a body has an ambiguous appearance, everything will be done, technologically and otherwise, to fit it into the normal pattern of sexual difference, thereby preventing that body from destabilizing the organization of society. Sexually ambiguous bodies are controlled by medicine and subjected to “normalization” procedures so that sex, body, behaviour, sexuality and secondary characteristics will function in harmony with each other and conform to the ideology of a heterosexist society. Like Foucault's “docile bodies” (2001), they are expected to be productive and submissive. For this reason, the study of intersexuality stopped being the exclusive province of medicine and biology, and became the purview of other areas, such as sociology, anthropology, feminism and queer studies.

Foucault (2003: 68-71) considered that the “hermaphrodite monsters” of the 18th century were lucky compared to those that lived between the Middle Ages and the beginning of the

⁹ To begin with Greek mythology: the hermaphrodite figure *par excellence* is of course *Hermaphroditus*, son of the god *Hermes* and the goddess *Aphrodite*, who was transformed into an androgynous being after union with the nymph *Salmacis*. Tiresias is the epitome of the transsexual being, having lived both as a man and as a woman at different times in his life. Sardanapalus, king of Assyria in the 7th century BC, wore women's clothing, as did the Roman emperor Elagabalus in the 3rd century. In the 17th century, Kristina Augusta, Queen of Sweden, was considered bisexual; she had mannerisms considered to be masculine and a deep voice, wore male clothing and even renamed herself Count Dohna. Geneviève d'Eon, a spy for King Louis XV of France (18th century), lived half her life as a man and the other half as a woman. Herculine Barbin (Barbin and Foucault, 1980), a famous hermaphrodite who was registered and raised as a girl, was coerced into changing her identity in adulthood after being considered a man by the doctors, who attested to the existence of a penis (though she also had a vagina); shortly after assuming her new identity, Herculine committed suicide.

¹⁰ According to Preciado (2008: 86-87), the production of sexual difference owed much to techniques of representing the body through anatomical and pornographic drawings, developed from the 17th century onwards, and particularly the invention of photography in the early 19th century, which gave visual realism and the quality of truth to difference.

17th century, who were burned alive for having two sexes (one of which had allegedly been attributed by Satan after coitus with him). After the 17th century, people were no longer convicted for hermaphroditism, but rather for having sexual relations with people of the same sex (it was now obligatory to choose one of the sexes – as still happens today in many countries). That is to say, conviction was caused by behaviour rather than the nature of the body, reflecting the 19th century shift in the way monstrosity was perceived: it lost legal-natural status and acquired legal-moral status instead. The choice of one of the sexes only served to determine what clothes to wear, whether one was obliged to marry and with whom (someone of the opposite sex) (Foucault, 2003: 71-74). This type of monstrosity upset legal regularities, not only in the sphere of marriage but also as regarded baptism and rules of succession. Today, as in the Middle Ages, intersex people still destabilize the so-called “natural” principle, the moral principle and the laws. They cast doubt on the medical system, the legal system and the organization of institutions. In athletics, for example, new regulations were drawn regarding “the eligibility of athletes who have undergone male to female sex reassignment to compete in International Competitions [...] in the female category” (IAAF, 2011: 1). The International Olympic Committee and the International Association of Athletics Federations also established a policy regarding female athletes who have what they consider to be an unusual hormonal development for a woman. According to Article 1.3 of the *IAAF Regulations Governing Eligibility of Females with Hyperandrogenism to Compete in Women’s Competition*, “No female with hyperandrogenism shall be permitted to compete in the female category of an International Competition until her case has been evaluated by the IAAF in accordance with these Regulations.” Then there is the case of Alterina Hofan, an intersex person who was arrested in Indonesia in 2010 accused of falsifying documents, and who spent a distressing spell in prison, transferred from a male gaol to a female one and finally ending up in solitary cell, due to the uncertainty on the part of the police as to whether this was a man or a woman (Yessir, 2010).

According to Foucault (1978), it was in the 18th century that the process of rationalizing, classifying and regulating sex got under way. It was also in that period that interest burgeoned in the sexuality of children, “mad” people, criminals and homosexuals (i.e. “deviant” sexualities). Discourses on this issue multiplied during the 19th and 20th centuries,

and with them the “perversions.”¹¹ Norms of sexual development were stipulated in accordance with age, and perversions were condemned in court; anyone that practised sexual irregularities was considered mentally ill, and controlled pedagogically or through medical treatment (*ibidem*: 36). Behaviour became the object of analysis and interpretation on the part of institutions such as medicine, psychiatry, and criminal justice, and sexual behaviours in particular were examined with the aim of constituting a “sexuality that is economically useful and politically conservative” (*ibidem*: 37). Sexuality was controlled by institutions of knowledge and power, and discourses on sex became sites of power which could be unsettled by ambiguous sexes. For example, hermaphrodites were considered to be criminals or “crime’s offspring” due to their anatomy, which “confounded the law that distinguished the sexes and prescribed their union” (*ibidem*: 38).

With the rationalization of the discourses around sex, and subsequently the increase in access to medical care (including gynaecological care), there was a multiplication of discourses and narratives, particularly medical publications, which produced a sudden apparent increase in cases of atypical sex in the 19th century. The proliferation of assumed homosexuals and feminists also contributed to this, as they were considered “behavioral hermaphrodites” who defied the limits of sexuality (Dreger, 2003: 26). The consequences of this diversity were reflected in an overly rigorous delimitation of masculinity and femininity on the part of the medical and scientific communities, which categorized as unusual, unnatural and immoral anything that did not fit into the pattern. It became inconceivable not to try to normalize the situation of a hermaphrodite after birth. Thus, from the middle of the 20th century, the first sex reassignment operations took place, procedures that were insecure and risky (Dreger, 2003; Fausto-Sterling, 2000a).

The need to control the life of the population dates back to the 18th century, when the efforts that had till then been made to protect the sovereign’s life began to be applied to the population. The defence which, till then, had been located on the level of legal (sovereign) existence shifted to biological existence, to be positively exercised over the population: “the ancient right to *take* life or *let* live was replaced by a power to *foster* life or *disallow* it to the point of death” (Foucault, 1978: 138). Power devoted itself to the maintenance and management of life, and a set of theories was generated to subject bodies and control the

¹¹ These “perversions” were not newly discovered forms of sexuality. They had always existed, but were now catalogued and pathologized.

population, thereby instituting the era of biopower. Adapting this theory to today: when an intersex person is born, political power is inscribed in the *bios* and alters that body. This alteration is no more than the defence of the interests of the population in general disguised as the “defence” of the wellbeing of the intersex person, as the organization of most societies is not prepared to include intersex bodies or *genderqueer* identities. Something that appears to be a positive power for the wellbeing of the intersex person is, in the end, the only solution that the medical authorities have found to compensate for their own inability and that of most institutions to deal with a different sex, as they do not know how to position it in society.¹² Sex reassignment surgery is performed in the name of the wellbeing of the population, so as to preserve its organizational system. The power that began to be deployed in the 18th century to sustain the life of the population still persists. However, this protection of life continues to “cause death,” or in Butler’s terms, continues to *undo* (Butler, 2004) other possibilities for existence, other forms of being.

2. Recognition and humanity

According to Judith Butler (1999: 178-79), the subject (as gender) is defined through the acts s/he carries out in successive performances, and therefore is an effect, rather than the cause, of those acts. This means that sexual identity (or gender) is an effect of repeated acts on the body. In other words, it is the repetition of acts that endows the subject with sexual identity, and this identity is a category that results from the effect of institutions, practices and discourses. That repetition will lead to the recognition of the subject as woman or man (because gender as practice occurs amidst constraints), and in the last analysis as human, because only these two categories are recognised as being endowed with humanity. Influenced by the importance attributed by Hegel to the question of desire for recognition, Butler (2004: 2) considers that sexual identity is driven by desire in the search for recognition, making it into a site of power. She wonders: “If I desire in certain ways, will I be able to live?” This question lies at the heart of her argument, as Butler calls attention to the mutability of the terms by which each individual is recognised as a human being: if in some cases those terms confer humanity on certain people, in other cases the very same terms

¹² Nowadays, the destiny of the intersex child is decided by endocrinology, paediatrics, urology, psychology, surgery and genetics. Where there is genital atypicality, the sex is reassigned based on potential female reproductive capabilities, or on the size of the penis or clitoris (Fausto-Sterling, 2000a; Dreger, 1998).

may deprive others of the same status, throwing them into anonymity, and, in the last analysis, into non-existence. "I may feel that without some recognizability I cannot live. But I may also feel that the terms by which I am recognized make life unlivable" (*ibidem*: 4). While, on the one hand, there are people that demand recognition as men or women, on the other, there are those that demand a kind of recognition that evades those constraining categories, aiming for recognition as human beings with autonomy over their bodies, free from medical manipulations and discursive constraints. Until the norms that regulate the world are reconsidered and the world reorganized, the sites of power will always be codified by binarism, and all bodies, not only intersex ones, are its victims.

In *Undoing Gender* (2004: 1), Judith Butler reflects on the consequences of a life lived on the margin of the dualist gender patterns prevailing in society, which ultimately implies the non-recognition of the person as a human being, as the normative conceptions of sex may prevent someone from leading a livable life,¹³ which Butler calls *becoming undone*. It is vulnerability that defines the human, the human condition. Once inserted into society, human beings are determined by its norms and defined by what they dictate, otherwise they are excluded. Therefore, in accordance with one of two sexes that are assigned, or reassigned to us, there will be a pattern of social practices to follow which have little to do with those governing the "opposite sex." It is the norms that constitute sex and determine us, as our destiny will be defined through it. Though the norms permit the construction of the subject, which is an imposed condition, they also make it impossible for it to be constructed in any other way. In the case of intersex people, they have to undo themselves, rid themselves of what they are, in order to construct themselves in another way; they cease to be intersex in order to be of female sex (and gender) or male sex (and gender). In Butler's words, it is the norms that *do* us, constructing us in a particular way, while at the same time undoing us, preventing us from constituting ourselves in another way. "The thought of a possible life is only an indulgence for those who already know themselves to be possible. For those who are still looking to become possible, possibility is a necessity" (Butler, 2004: 219). Intersex people are those that are still waiting for it to become possible for them to exist, that is, to be recognised. Paraphrasing Beatriz Preciado (2008), political intervention is

¹³ In *Undoing Gender*, Butler develops the notion of the "livable life." A person can only have a livable or bearable life if they live in accordance with the norms that enable them to be recognised as human beings. Butler suggests that we rethink the limits of humanity and question the terms that constrain the lives of certain people.

necessary for a reprogramming of sex. That intervention is not utopian. The definition of what it means to be human varies from culture to culture; there are no immutable definitions in space or time; concepts are always open to resignification, and categories are always subject to change. The same occurs with people and the world.

3. The recovery of difference through Derridean hospitality

Recalling Rosi Braidotti (2011: 138), “difference” is a central concept in the European history of philosophy, which, based on binary oppositions, created categories of alterity that acquired connotations of inferiority. This notion of difference was adopted by hierarchical and exclusionary modes of thinking, particularly by totalitarian regimes, which viewed difference as biologically determined and used it as a pretext for the extermination of thousands of people. Today, rather than being exterminated, difference is primarily transformed into sameness. As happens in dictatorial regimes with respect to difference, intersex is taken as a pejorative difference and is censured in society, manipulated by medicine and by the discourses that sustain the social order. It has become the place of the other, till now occupied (in the European context) by Jews, homosexuals, gypsies, the female sex and the disabled, amongst other minorities. Intersex is the other sex and the other being, deprived of recognition as human. However, this ‘other’ may be recovered and exalted by hospitality, achieving the status of human condition as such.

From Sophocles to Derrida, the word “hospitality” underwent various shifts of meaning. While for Plato and Kant, it is the human being as citizen (i.e. the legal-political subject) that is deserving of hospitality, for Levinas and Derrida, hospitality is due to all subjects in the human condition, and the duty to receive and shelter is no longer legal but absolute. This question is directly connected to the question of recognition, discussed by Butler (2004), which makes possible a livable life. Butler argues for a broadening of the term ‘human’ so that the person who is recognised as such can have a livable life. This idea comes close to Derrida’s ethics, according to which hospitality (comparable to a form of livability/habitability) should be extended to all others. Hospitality, as explored by Derrida in *Of Hospitality* (2000), allows us to place the intersex in the role of the foreigner receiving hospitality in the Greek context. Derrida develops the idea using the works of Plato and the

notion of the *other*¹⁴ of hospitality in the Biblical context, particularly the scene of *Genesis* in which Sarah and Abraham receive three uninvited guests.

Hospitality in the regime of the absolute is unconditional hospitality, *the law above laws* that clamours incessantly for justice. While on the one hand we have the invited guest, whose arrival is anticipated from the outset, on the other we have the visitor who interrupts normativity without warning, causing a disturbance – this is an event. Unconditional hospitality is that which is extended to each and every other irrespective of sex, religion, nationality, name, etc., unlike conditional hospitality (that of Plato and Kant), which, governed by laws, is offered only to the invited individual – the foreigner (someone that comes from outside) or the citizen of the *polis* – not to an absolute, enigmatic other.

The word ‘hospitality’ has its roots in the Latin *hospitalitas*, which refers to the act of hosting. As Benveniste (1969) shows in his detailed analysis of the etymology of this word, it includes elements with opposite meanings,¹⁵ thus suggesting the threat that hospitality brings with it; that is to say, the hostility at the heart of hospitality alerts us to its own danger. “There is no pure hospitality, it is impossible; in its unconditionality, it is only possible when (already) contaminated by hostility” (Bernardo, 2002: 443).¹⁶ When we receive someone into our home, we are not free of the risk that that person could negatively affect our inner world. Nevertheless, as hosts, we are obliged to take care of the person received on an equal footing.

When an intersex child is born, the host (the medical establishment, the family, society or the world generally) exceeds the bounds of the power (*potis*) associated with its condition, dictating rules and establishing limits that the intersex, as guest, may not transgress. In this

¹⁴ The word “other” will be used here in the sense that it acquired in Derridean ethics. Unlike the “other” of feminism, which is a secondary other, this other is absolutely other (“tout autre”), absolute alterity, irrespective of any identity subsequently attributed to it, which precedes the “I” and from which the “I” recognises its existence. “Before *I am*, I carry, before *being me*, I carry the other. I carry you and must do so.” (Derrida, 2005: 162). The relationship between the I and the other is a relationship of asymmetrical heteronomy, dominated by the singular primacy of the other to whom I am obliged (“il faut”) to respond. The other is situated on the level of the living being, so that the animal is also other, prior to me, before me, in me and outside me (cf. Derrida, *L’animal que donc je suis*).

¹⁵ *Hospitalitas* derives from *hospitalis* (hospitable), which comes from *hospes* (host; guest, visitor; stranger, foreigner), a compound of *hostis* (enemy, stranger) and the root of *potis* (owner, master; able, capable).

¹⁶ Derrida uses the word *hos-ti-pitality* to refer precisely to the ambiguity of hospitality, “to refer to *unconditional hospitality interrupted and contaminated or perverted by hostility*” (Bernardo, 2002: 422).

dynamic, the host itself ends up being the hostile one, in anticipating the potential hostility of the intersex – or a revolution in the sexual order of society.¹⁷

Evoking Montandon (2004), everything begins at the threshold of the door. The threshold represents a line that separates the host from the guest, and leads the latter to commit the first violence: the act of transgression in crossing the line, though that act implies acceptance of the host's rules. According to Montandon (2004: 7), "for the guest, this crossing tacitly implies acceptance of the rules of the other." A biological woman gives birth to a child. While that child is still attached by the umbilical cord, it is maintained at the threshold of hospitality, but as soon as this is cut, the first violation occurs. The newborn is led to transgress the frontier between its home (the amniotic sac), and the house of the world. It becomes hostage¹⁸ to the curious gaze of the obstetricians who, considering the danger underlying the event that has come from outside, do not waste time in looking for the mark that they consider distinctive of humans (sex). How perturbed they feel when they discover that this bold creature has committed another transgression: it has brought with it ambiguity! Having arrived without warning, this unexpected being has broken the binary norm of the sexes, while at the same time presenting itself as submissive to it.

All sexes, and particularly intersex, come into the world weighed down by a subjection to rules so that they can achieve what Butler (2004) calls a livable life. I challenge this subjection and this false hospitality, since the reception given to the intersex should not be viewed as an act of power that establishes from the outset a relation of dissymmetry with the guest (intersex person) submissive to the sovereign host (each and every other that receives him/her); rather it should be perceived as a gift,¹⁹ responding unconditionally and responsibly to the urgent appeal for hospitality.²⁰ The law of unconditional hospitality that Derrida discusses in *Of Hospitality* is legally and politically impossible as law: if the world is thought of as a home, then geographic space should be considered from the perspective of hospitality, an archi-originary, pre-political, pre-social and pre-legal unconditional

¹⁷ "This is the fearful question, the revolutionary hypothesis of the Foreigner," Derrida claimed (2000: 7). The foreigner is the other whose arrival upsets the established order, analogous to what happens with intersex, which reminds us of the false duality of the sexes.

¹⁸ "Le sujet est otage" (Levinas, 1978: 177).

¹⁹ The gift is implicitly a donation without economy, without exchange. Unconditional hospitality is a gift as such, unlike conditional hospitality, which implies an exchange-based economy (see Derrida, 1991).

²⁰ Abraham responded unconditionally to his mysterious visitors. This is "the great founding scene of Abrahamesque hospitality" (Derrida, 2000: 153).

hospitality.²¹ Conditional hospitality, for its part, is legal-political since it imposes a series of laws upon the foreigner, who is conceived from the perspective of the *polis*. As well as being received in the form of a questionnaire, the foreigner is also obliged to respond in the language of the other.²² Despite being in his own city, Socrates presented himself before the judges as a foreigner to the language of the courts. “The foreigner is first of all foreign to the legal language in which the duty of hospitality is formulated” (Derrida, 2000: 15), and this is the first violence. Just as foreigners are obliged to speak a language that is not their own, intersex people are obliged to assume a sex that is not theirs, and are never able to acknowledge their sex as such, for unconditional hospitality is in the realm of impossibility, and doing the impossible is a challenge for an ethics of unconditionality.²³ But the intersex differs from the foreigner in that the foreigner has a social status as a legal subject endowed with a name, while the intersex is (until sexually reassigned) an absolute other, without name or law, like a barbarian.

Unconditional hospitality may be defined by biological femaleness as a gestating body, since it is within the biologically “female” body that a child is generated, where it receives its first hospitality in an unconditional form, where the other is received as absolutely other, before there is any knowledge of it. Unconditional hospitality in the context of a binary sociosexual organization is absolutely impossible, as such binarism only exists to the extent that it is moulded from the multiplicity that is never received as such. What is required is an absolute hospitality that challenges conditional hospitality, not opposing or condemning it, but making it understand that it is necessary to receive each and every other. According to Derrida,

absolute hospitality requires that I open up my home and that I give not only to the foreigner (provided with a family name, with the social status of being a foreigner, etc.), but to the absolute, unknown, anonymous other, and that I *give place* to them [...] without asking of them either reciprocity (entering into a pact) or even their names. (2000: 25)

²¹ Archi-originary means that before the subject enters into “being” (as a social subject, a subject in law), it is subjugated to the absolute duty of the guest.

²² In *The Sophist*, the foreigner is “someone that doesn’t speak like the rest, someone who speaks an odd sort of language” (Derrida, 2000: 5). In *The Apology of Socrates*, Socrates presents “himself as like a foreigner, [...] as though he were a foreigner” (*ibidem*: 17).

²³ “I question the impossible as the possibility of ethics: unconditional hospitality is impossible, in the field of law or politics, even in ethics in the strict sense of the term. Yet it is what must be done, the im-possible” (Derrida *apud* Bernardo, 2004: 18).

This “without asking their names” may already imply a lack of interest in the sex, as the name, despite being considered by Derrida as a mark of singularity, is also a mark of sameness, given that most names aim at sexual differentiation through grammatical gender.

Absolute hospitality is from the sphere of justice, a just hospitality that breaks with conditional hospitality, which is from the field of law. Between the two, there is no delimited opposition; instead, there is a relation of heterogeneity (difference without opposition) and indissociability. Just hospitality impels legal hospitality to progression, but “it is as strangely heterogeneous to it as justice is heterogeneous to the law” (*ibidem*: 27). Laws (norms, rights, duties) require the Law (of justice) in order to be more just; and the Law, in turn, needs laws in order to acquire the meaning of existence; it needs to be able to intersect them and tell them what is wrong. It is necessary to make the impossible a goal and remove the state from the sphere of the private whenever it aims to legislate the body of the other in order to put an end to this biopower. According to Derrida, if the state interferes in private life, hospitality will be shattered: “the intervention of the State becomes a violation of the inviolable, in the place where inviolable immunity remains the condition of hospitality” (Derrida, 2000: 51). Foucault also shared the same aversion to this type of organization of power over life: “methods of power and knowledge assumed responsibility for the life processes and undertook to control and modify them” (Foucault, 1978: 142). A normalizing society is what results from the processes of a technology of power centred on life (*ibidem*). Whenever biopolitics operates in the form of normalizing disciplines which tend to produce “normal” identities and bodies, those mechanisms have to be rejected as being mechanisms for the normalization of sexuality.

Thus, we have an unconditional duty to receive the other without excuses, conditions or prejudices. We have to do Derrida’s impossible and be unconditionally hospitable, infringe laws if necessary, just as he himself did when he accepted undocumented foreigners, knowing that this was forbidden, a crime even.²⁴ Ethics, politics and law have to be reinvented. We have to be able to accept not only the invited guest but also the unexpected visitor with the human dignity that is due to both.

²⁴ The crime was called “offense of hospitality” [délit d'hospitalité] (*vide* Bernardo, 2002: 439).

Conclusion

Having demystified intersex, we must conclude that sexuality cannot be reduced to a dichotomy. If the 19th century was a golden age in terms of the known cases of intersex people, we are now heading towards the eradication of intersexuality through compulsory sexual reassignment surgery which channels a sexuality that is plural. Although ambiguous genitalia may imply metabolic disorders, as Alice Dreger (2000: 162) points out, the genitals are not sick in themselves. Treatments that aim at “aesthetic normalization” and inclusion into a sexual category will never lead to the emancipation of the intersex person. Rather than creating harmony between genitals and chromosomes, the body should be in harmony with the person that embodies it. Thus, it becomes imperative and urgent to de-pathologize intersexuality, and to stop performing, even criminalizing, surgery that is performed without the individual’s consent.

Intersexuality urgently needs to be discussed as it is a controversial matter about which little is known. The question of intersex calls into question the other sexes, the frontier between them, ideals of beauty, sexual orientation, gender identity, legislation, medical services, ethics... Intersex is thus the key to a rupture with and resignification of sexual norms. We have to rethink sex, as Fausto-Sterling (1993) does, as a vast and malleable continuum. We have to rethink the norms and rethink the concept of human being.

Allied to Butler’s question of recognition, Derridean hospitality may be the theoretical key for absolute inclusion,²⁵ since without recognition people do not have dignity as humans, are not received by either the family, or by society in general. If unconditional hospitality is impossible, then we should do the impossible and make possible another mode of being.

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The Influence of the Liberal Peace Framework on the United Nations Approach to Peacebuilding in Guinea-Bissau*

The article explores the United Nations approach to peacebuilding in Guinea-Bissau following the 1998-1999 armed conflict in the country. Despite efforts from the United Nations and other international actors, the country seems still far from achieving the sustainable peace advocated by intervenors. The main hypothesis herein sustained is that this limitation is due to the strong basis of the UN approach on the liberal peace framework. This framework is particularly marked by the (usually top-down) promotion of fundamentally liberal values and practices to post-armed conflict situations. It is thus argued that the limitations of the UN approach to peacebuilding are to be found not only in the implementation or operationalization of specific policies, but also in their own design.

Keywords: Guinea-Bissau; United Nations; peace; peacebuilding; conflict resolution.

Introduction

The United Nations (UN) has been involved in the peacebuilding process in Guinea-Bissau since the late 1990s. Following the armed conflict and the deployment of a peacekeeping operation by the Economic Community of West African States (ECOWAS), the UN established a political office in Bissau to ensure the continuity of the ceasefire. More recently, in addition to transforming this political presence into an “integrated office,” the UN included Guinea-Bissau in the agenda of the Peacebuilding Commission (PBC), an intergovernmental advisory body created in 2005 to provide greater coherence and coordination to the efforts of the various actors involved in peacebuilding processes worldwide.¹

Despite the efforts of the United Nations and other global actors, the situation in Guinea-Bissau remains fragile and the prospects for improvement seem limited. The years following the 1998-1999 armed conflict have been marked by constant fragility and weakness in the political, institutional and socio-economic structures of the country (Kabia, 2009; Roque,

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¹ On the creation of the PBC, see in particular Jenkins (2013), Bellamy (2010) and Neves (2009).

2009; ICG, 2008). Those weaknesses may be illustrated, for example, by the dissolution of parliament by the head of the executive in 2003 and the assassination of former President João Bernardo “Nino” Vieira in 2009. The country continues to have low human development indicators and currently ranks 176 (out of 186 countries) in the latest *Human Development Report* produced by the United Nations Development Programme (UNDP). Furthermore, other socio-economic indicators usually place the former Portuguese colony below the average for West African countries: approximately 49% of the population live on less than 1.25 dollars per day (UNDP, 2011), the literacy rate for adults is only 54% and the gross national income *per capita* is 1.042 dollars (UNDP, 2013).

Against this backdrop, this article aims to demonstrate that the United Nations approach to peacebuilding in Guinea-Bissau has been particularly limited by its strong adherence to the liberal peace paradigm. This approach, as demonstrated by a now vast line of research, is essentially characterised by the promotion of liberal norms, practices and values, especially those associated with democracy and the market economy (*vide, e.g.*, Richmond, 2005, 2011; Roberts, 2011; Pugh *et al.*, 2008; Duffield, 2007; Paris, 2004). Peacebuilding efforts, when based on the liberal peace tenets, are usually characterised by programmes, practices and actions implemented from the top-down in areas that are not necessarily defined as priorities by local populations or that respond to the root causes of armed conflicts. Consequently, despite occasional progress in some areas (particularly security), peacebuilding processes based on the liberal peace paradigm rarely succeed in creating the necessary conditions for the emergence of a sustainable peace guided by a genuine (rather than virtual) social contract, as would be expected in a liberal democratic society (Richmond, 2011).

The proposed analysis does not intend to examine the causes and consequences of the armed conflict that devastated Guinea-Bissau in the late 1990s, nor assess the impact of UN efforts in the country. On the contrary, this article takes a “step back,” focusing on the actual peacebuilding policies and instruments formulated in New York. The basic assumptions underlying the liberal peace are reflected in these policies and instruments, especially in the emphasis they place on the markedly liberal conceptions and worldviews found in their guidelines, priorities and objectives. These conceptions and worldviews necessarily influence the implementation and operationalisation of peacebuilding programmes and projects in the field by UN agencies and other international actors. As such, it is argued that the weakness

of the UN approach to peacebuilding processes lies not only in the implementation or in the operationalisation of specific policies and projects, but also in their actual conceptualisation and formulation.

The following section outlines the basis for this argument, focusing on the theoretical-political framework of the liberal peace that underpins the United Nations' concept and practices of peacebuilding. The second section then provides an overview of the UN peacebuilding efforts in Guinea-Bissau. It should be noted that this section does not examine the armed conflict in Guinea-Bissau or its consequences exhaustively, but only to the extent necessary to contextualise the UN peacebuilding approach and policies formulated for the country. The third section identifies the extent to which those efforts reflect, albeit implicitly, the principles of the liberal peace paradigm. The final section presents some considerations by way of a conclusion. The analysis is based primarily on the interpretation of official and unofficial primary sources, including internal documents and interviews held with UN and Member State officials who have been directly involved in the dynamics herein analysed.

The United Nations concept and practice of peacebuilding

According to a recent line of academic research, the UN concept and practice of peacebuilding have been primarily influenced by a sophisticated theoretical-political framework, namely the liberal peace (see, amongst many others, Richmond, 2005, 2011; Chandler, 2010; Pugh *et al.*, 2008; Duffield, 2007; Mac Ginty, 2006; Paris, 2004). According to Oliver Richmond, one of the leading theoreticians in this line of research, the liberal peace presents itself as a “discourse, framework and structure” (Richmond, 2005: 206) that embodies a long, essentially western, tradition of experiences in armed conflicts and thinking about peace. At the core of this framework lies the belief in a simplified version of the “democratic peace” hypothesis, which states that democracies rarely wage war against each other (see Russett, 1993; Doyle, 1983a; 1983b). The “democratic peace” hypothesis should not, however, be confused with the “liberal peace” framework, since the latter, more than a theory about the apparent absence of wars between democracies (i.e. the democratic peace), involves the proactive articulation of the promotion of liberal values and practices in the political, economic, security and social realms as the remedy for the consequences of armed conflicts. The liberal peace thus focuses “not just on domestic political institutions

and their international implications, but on the character of peace in civil and societal, political, economic, security, and international spheres” (Richmond, 2011: 5).

Theorisations about the influence of the liberal peace on peacebuilding practices stemmed from an academic critique whose objective is to highlight and move beyond the failures and limitations inherently associated with the external, often top-down, promotion of (usually western) systems of democratic governance and free market economies. Richmond (2005: in particular 202-214) underscores the western influence in these efforts when discussing the four strands of thought or discourse about peace that constitute the liberal peace. The first is the victor’s peace, a limited and short-lived form of peace essentially associated with the use of military force, normally by hegemonic powers. The next two strands of thought are heavily influenced by the Western European Enlightenment project: the constitutional peace, which reflects the defence, particularly along the lines of the first pacifist movements, of ideas such as cosmopolitanism, disarmament, democracy, free trade and humanitarian law; and the institutional peace, based on legal norms and on regulation by international institutions. Finally, the fourth strand of thought or discourse constituting the liberal peace is the civil peace, which is strongly defined by humanitarianism and focuses on social actors and movements (*ibidem*). The balance between these four strands produces the liberal peace and, at the same time, reflects its aspirations for “freedom and mutual regulation” (Richmond and Franks, 2009: 5).

According to this view, the democratic peace envisaged is assumed as universal and achievable as long as certain “peaceful” methods and techniques are efficiently implemented. The general agreement on the means and techniques, as well as on the purposes and objectives of peacebuilding, would then lead to a “consensus” amongst the main global actors on the idea and practice of peacebuilding. Among the techniques, methods and technologies agreed by those actors, one finds conflict prevention, mediation, peacekeeping and peacemaking, humanitarian aid and conflict resolution (Richmond, 2004). The generalised consensus on these methods thus reflects a discourse and practices that project peacebuilding as the “construction of liberal democracy, with a free market and

globalized economy, progressive development strategies, and guaranteed human rights” (*ibidem*: 131-132).²

In general, such methods and technologies were developed from various generations of approaches to armed conflict management and ‘resolution’ (Richmond, 2005: 85-123). In the United Nations, the 1992 Report of the Secretary-General entitled “An Agenda for Peace” is a milestone in this process. In this document, preventive diplomacy, peacemaking, peacekeeping and post-conflict peacebuilding were described as mechanisms or techniques available to UN activities in the field of international peace and security. They were thus defined *vis-à-vis* a sequential and linear reading of armed conflicts in which preventive diplomacy would be used before the outbreak of direct violence, peacemaking and peacekeeping after the cessation of hostilities, and post-conflict peacebuilding, obviously, after the termination of the armed conflict (A/47/277-S/24111: paragraph 20-21).

Produced in the period immediately after the end of the Cold War and the dissolution of the Soviet Union, the document brought the strong influence of the liberal peace to bear on the concept of peacebuilding. In fact, the author of the report explicitly assumed a direct and unequivocal relationship between the promotion of democracies and peace, stating that “[t]here is an obvious connection between democratic practices – such as the rule of law and transparency in decision-making – and the achievement of true peace and security in any new and stable political order” (A/47/277-S/24111: paragraph 59). Other aspects of the liberal peace, especially those associated with its external, top-down promotion, may be found in other UN documents, including the most recent “conceptual basis” produced by the Policy Committee of the Secretary-General³ in 2007. The basis, which should, in theory, be adopted throughout the UN system, reflects this conception, although in a subtle and complex manner:

Peacebuilding involves a range of measures targeted to reduce the risk of lapsing or relapsing into conflict by strengthening national capacities at all levels for conflict management, and to lay the foundations for sustainable peace and development. Peacebuilding strategies must be coherent and tailored to the specific needs of the country concerned, based on national ownership, and should comprise a carefully prioritized, sequenced, and therefore relatively narrow set of activities aimed at achieving the above objectives. (United Nations, 2007: 1)

² Despite the different conceptions of “democracy,” it is important to stress that in the UN context visions of “democracy” have always been associated with the western liberal tradition. For an in-depth analysis, see Haack (2011).

³ The Committee is the highest decision-making body within the Secretariat. It is chaired by the Secretary-General and composed of the heads of some of the most influential UN organizational structures.

The influence of liberal peace, however, is not restricted to conceptual formulations. On the contrary, in activities effectively undertaken in conflict or post-armed conflict contexts since the end of the Cold War, the main global actors gradually began to operate in accordance with a shared horizon for the promotion of liberal values and practices. In fact, in spite of the differences identified among the several peacebuilding initiatives carried out by the UN since the 1990s, its peace operations have normally promoted “free and fair elections, the construction of democratic political institutions, respect for civil liberties, and market-oriented economic reforms” (Paris, 1997: 63).

Concretely, peacebuilding efforts based on the liberal peace project have implied the following, amongst other measures: provision of technical assistance to national governments with a view to, for example, identifying specific needs and priorities; support to the promotion of democratic values and practices and human rights; direct or indirect support to processes of security sector reform; and support to national reconciliation processes and poverty reduction initiatives.⁴ Many of these tasks gradually began to be carried out as part of UN peacekeeping operations from the late 1980s onwards, although they were not usually classified or defined under the heading of peacebuilding at the time. However, at the core of these activities, there was always the underlying idea that “certain kinds of (liberally constituted) societies will tend to be more peaceful, both in their domestic affairs and in their international relations, than illiberal states are” (Newman *et al.*, 2009: 11).

Conceived along these lines, the liberal peace is understood as a top-down approach that too often ignores or neglects the everyday needs and socio-economic realities found in the specific contexts of armed conflicts. Consequently, although sometimes succeeding in obtaining results such as a short-term reduction of violence, interventions guided by the liberal peace paradigm frequently fail to provide the conditions required to achieve sustainable peace, usually discouraging the emergence of a genuine social contract between the population at hand and the state which represents them (Richmond, 2011: 4-13).

⁴ For examples and in-depth discussion of how these tasks have been carried out in specific contexts, see Paris and Sisk (2009), Newman *et al.* (2009), Berdal and Economides (2007) and Durch (2006), amongst others.

The United Nations approach to peacebuilding in Guinea-Bissau

Although this section does not intend to provide an exhaustive analysis of the subject, it should be stressed that the armed conflict initiated in June 1998 in Guinea-Bissau was the consequence of a complex web of internal, regional and international factors. Among the structural causes of the conflict, one finds the Portuguese colonial legacy, which left profound marks on the economic, social and political structures, as well as on the infrastructure of the country. Secondly, the war of independence (1963-1974) left a surplus of weapons in the country that was later used by individuals in the armed forces and in the government to illegally supply separatist armed groups in Senegal. Finally, in the post-independence period, the long-lasting rule of the African Party for the Independence of Guinea and Cape Verde (PAIGC) contributed significantly to consolidate an autocratic and corrupt state apparatus strongly personified in the figure of João Bernardo “Nino” Vieira, who remained in power between 1980 and 1998. This tangled web of factors, intertwined with the political and diplomatic interests of the former colonial powers in the region (Portugal, France and the Netherlands), created the general context for the armed conflict of 1998-1999 and would influence the work of the UN in Guinea-Bissau in the post-conflict period.⁵

According to Adebajo (2002: 111), the immediate causes of the armed conflict in 1998 lay in the deteriorating relations between Nino Vieira and the head of the Armed Forces, General Ansumane Mane. Both accused each other of involvement with the Casamance separatist movement in Senegal, and of responsibilities in the smuggling of arms to this country. Upon Vieira’s decision to replace Mane as head of the Armed Forces, the latter initiated a military campaign that eventually led to the establishment of a military junta following the fall of Nino Vieira (who had also come to power via a coup d’état) in May 1999. Between the replacement of Mane and the downfall of Nino Vieira, the armed confrontation in the country caused hundreds of deaths and a large number of internally displaced persons and refugees in neighbouring countries (*ibidem*: 126), in addition to bringing the national economy to a virtual standstill (Rudebeck, 2001: 12).

⁵ For a more detailed exploration of the causes of the conflict, see ICG (2008), Ferreira (2004), MacQueen (2003), Forrest (2002), Adebajo (2002: 111-136), Rudebeck (2001) and Ostheimer (2001). On the responses of other international actors to the conflict, in particular the ECOWAS and the Portuguese-speaking countries, see the previously cited works by MacQueen and Adebajo, as well as Kabia (2009: 137-142), Obi (2009) and Roque (2009). On the more recent involvement of the European Union, see Gibert (2009).

The first multilateral responses to the armed conflict came from the ECOWAS and the Community of Portuguese-Speaking Countries (CPLP), who succeeded in brokering a peace agreement between Nino Vieira and Mane, which was signed in Abuja (Nigeria) in August 1998. Under the terms of the agreement, Nino Vieira and Mane reaffirmed the ceasefire arranged a few days before and agreed to the complete withdrawal of all foreign military forces from the country, as well as to hold general and presidential elections by March 1999 (S/1998/1028). The agreement also envisaged the deployment of an ECOWAS interposition force, supplied by its Monitoring Group (the ECOMOG, Economic Community of West African States Monitoring Group). It should be emphasised that this force was not led by the UN, but by a sub-regional organisation, and that it would only later be endorsed by the UN Security Council (S/RES/1216). In Adebajo's assessment, the result of the ECOMOG efforts would prove to be limited due to its premature withdrawal after ECOWAS observed a significant deterioration in the security situation, as well as to the logistic and financial difficulties faced by the Group (Adebajo, 2002: 119-124).

The United Nations only began to play a more significant role in the peace process after the signing of the Abuja agreement. Through staff at the Department of Political Affairs (DPA), the UN became involved in political initiatives in Bissau with the aim of ensuring and maintaining the ceasefire and guaranteeing the consolidation of the "fragile peace" that had begun to emerge in the country.⁶ One of such initiatives was the establishment of the United Nations Peacebuilding Office in Guinea-Bissau (UNOGBIS), in March 1999.⁷ This model of political presence replicated the format of the United Nations Office in Liberia (UNOL), established in 1997 as part of the exit strategy of ECOMOG and of a UN observer mission in this country (DPA and UNDP, 2001: 9). The primary function of UNOGBIS, according to its original mandate, was to help create an "an enabling environment for restoring and consolidating peace, democracy and the rule of law and for the organization of free and transparent elections," in addition to facilitating implementation of the Abuja agreement (S/1999/232: 1). In New York, the presence of allied countries in the Security Council

⁶ Interview with senior official of the UN Department of Political Affairs, New York, 16.11.2010.

⁷ Not to be confused with the Peacebuilding Support Office (PBSO). Offices such as UNOGBIS are established in the field, usually have a mandate defined by the Security Council and normally operate under the aegis of the DPA. The PBSO, a New York-based Secretariat organ, was established in 2006 and is governed by its own terms of reference.

(namely France, Gambia and Portugal) ensured the continued interest of this body and of the UN in Guinea-Bissau (Adebajo, 2002: 119).

Notwithstanding the unstable environment and the fragility of the actual agreement mediated by the ECOWAS, which became evident after the fall of Nino Vieira in May, the role of the UN in providing support for the holding of parliamentary and presidential elections was of great importance. Through the United Nations Development Programme (UNDP), the UN provided technical support for the national authorities during “various stages” of the electoral process, including, for instance, the preparation of the operational plan for training election officials (*ibidem*: 127-128). United Nations documents reveal that the UNDP supported the registration of over half a million voters, in addition to having initiated “a massive civic education campaign to inform and educate the electorate on the electoral process” (S/1999/1276: paragraph. 16). UNOGBIS, in turn, organised election debates amongst the candidates and coordinated the election observation efforts (*ibidem*: par. 17-19). Subsequent reports from the Secretary-General on developments in Guinea-Bissau and the work of UNOGBIS point out the active role of the United Nations in various areas during the period following the elections. UNOGBIS, for instance, offered its good offices in negotiations aimed at redefining the future role of the military in the democratic period (S/2000/250: par. 7), and carried out specific activities in what concerns the training of legislative and judiciary staff (S/2001/622: par. 24).

In addition to its presence and efforts in the field, mainly via UNOGBIS, concerted diplomatic efforts towards peacebuilding in Guinea-Bissau were carried out in New York from 2002 onwards. These efforts intensified following the creation of the so-called Ad Hoc Advisory Group for Guinea-Bissau, established under the aegis of the Economic and Social Council (ECOSOC). This group, which had a similar structure and functions to the one previously established for Haiti, was created in the context of broader institutional initiatives aimed at strengthening the links between peace and security and development issues in UN peacebuilding efforts (Prantl, 2006). In fact, despite some existing awareness of the interrelationship between peace and security and development,⁸ responsibilities over those

⁸ On the relationship between peace, security and development, see in particular Mac Ginty and Williams (2009), Tschirgi *et al.* (2010) and Collier *et al.* (2003). At the time the ad hoc groups were active, Collier and his team estimated that at the end of a civil war the “typical country” had a 44% chance of returning to a situation of armed conflict within five years (Collier *et al.* 2003: 83). Despite future revisions and harsh methodological

issues remained, from an institutional perspective, clearly divided between the Security Council and the ECOSOC, respectively (*ibidem*: 9).

The Guinea-Bissau Group was composed of five Permanent Representatives from Member States of the United Nations (South Africa, Brazil, the Netherlands and Portugal, in addition to Guinea-Bissau itself), and sought to “examine [the country’s] humanitarian and economic needs, and review relevant programmes of support and prepare recommendations for a long-term programme of support,” as well as to “provide advice on how to ensure that the assistance of the international community was adequate, coherent, well coordinated and effective and promoted synergy” (Decision 2002/304, cited in Prantl, 2006: 151). According to a diplomat with responsibilities related to the Group at the time, by supporting long-term activities outside the strict area of security, the diplomatic efforts undertaken within the ECOSOC sought precisely to bring the development sphere closer to the dimensions of peace, security and stability.⁹ In practice, the Group’s work was meant to serve as a platform for coordinating the efforts undertaken in the country by agencies and programmes within the UN system. A set of short- and long-term recommendations was therefore drawn up with the aim of interconnecting the peacebuilding efforts of the various entities within the UN system working in Guinea-Bissau.¹⁰ It should be noted, however, that the recommendations of the Group, due to its very nature, were not binding.

According to Prantl (2006), who conducted an external assessment commissioned by the ECOSOC, the most important function of the Council’s ad hoc groups was to lobby in favour of countries that normally have no easy access to the frontline of international financial aid. The Guinea-Bissau Group thus aimed to serve as a link between national authorities and international partners. In this sense, whilst the government “would actively promote policy goals such as the implementation of the rule of law and political stability, international donors would provide the funding for emergency support and technical assistance in a wide range of fields” (Prantl, 2006: 14).

criticisms, this estimate gained widespread acceptance amongst political decision-makers in New York, and was rhetorically used as a justification for the creation of the PBC in 2005, as Suhrke and Samset argue (2007).

⁹ Interview with senior diplomat from a Member State of the PBC Specific Configuration for Guinea-Bissau, New York, 17.12. 2010.

¹⁰ Documents relating to the Ad Hoc Advisory Group for Guinea-Bissau, including recommendations and activity reports, are available at <https://www.un.org/en/ecosoc/adhocmech/bissau.shtml> (last consulted on 05.02.2013).

The ECOSOC terminated the mandate of its Ad Hoc Group for Guinea-Bissau in July 2008, following the inclusion of the country in the agenda of the then recently established Peacebuilding Commission (E/RES/2008/30). In December 2007, the Security Council had submitted to the Commission a request for advice on the situation in the country in the following areas: government capacity in the areas of finance, security sector reform and anticorruption measures; previous measures aimed at developing and strengthening the security system, the judiciary and the rule of law; the development of democratic practices and preparations for the holding of elections in the following year (S/2007/744). Following the PBC's acceptance of the request, the Commission's so-called Specific Configuration for Guinea-Bissau would become the main intergovernmental *locus* for the discussion of issues related to peacebuilding efforts in the country.

Within the context of the Configuration, the most concrete peacebuilding efforts took the form of the Strategic Framework for Peacebuilding in Guinea-Bissau, adopted in October 2008 (PBC/3/GNB/3). The document was produced on the basis of a consultation process involving members of the CSC-Guinea-Bissau, UN staff and Bissau-Guinean authorities during several months.¹¹ These efforts included, for example, a joint visit from the Chair of the CSC-Guinea-Bissau and UN staff to the country in January 2008 (PBC/2/GNB/6), as well as visits from CSC delegations in April and June of the same year. In New York, informal thematic sessions took place with the aim of discussing issues that were potentially a priority for peacebuilding in the country (e.g. drug trafficking). Finally, the Secretariat drew up a map of existing resources and main gaps for peacebuilding in Guinea-Bissau (PBC/2/GNB/7).

In addition to diplomatic coordination efforts undertaken within the framework of the Commission, the Peacebuilding Fund (PBF) was used to support the implementation of small projects with potential catalytic effect on peacebuilding in the country. Financial support from the Fund was initially planned in two stages. The first phase had a political purpose and was essentially destined to demonstrate support for the peacebuilding process in the country. It was expected that the implementation of projects in this phase would also serve to identify opportunities for greater PBF support in the future.¹² In this context, the Fund allocated six million dollars to Guinea-Bissau in April 2008. According to a member of the

¹¹ Interview with member of the Peacebuilding Support Office staff, New York, 15.11.2010.

¹² Interview with senior diplomat from a Member State of the PBC Specific Configuration for Guinea-Bissau, New York, 17.12.2010.

PBSO staff at the time, this sum reflected the assessment that the country lacked the capacity to absorb a higher amount.¹³ The second ‘envelope’, according to UN jargon, was only approved in January 2011 due to a series of delays in drawing up the priority plan for Guinea-Bissau. The sum total of this last envelope was 16.8 million dollars.¹⁴

The PBF net financial contribution to peacebuilding projects in Guinea-Bissau up to December 2012 was approximately 23.8 million dollars.¹⁵ To put this figure into context, it should be emphasised that the estimate for resources required to ensure the functioning of UNIOGBIS (the revised version of the UNOGBIS; see below), was 19.9 million dollars for the year 2013 alone (A/67/346/Add.3: Table 1). It should also be noted that the PBF amount destined for Guinea-Bissau is the lowest of all the countries currently on the PBC agenda, representing only 7% of the net total disbursed by the Fund (339.4 million USD) since it was launched in October 2006.¹⁶ In short, although at first sight the total value of the PBF financial contribution to Guinea-Bissau may appear significant, it is less so when viewed from a broader perspective.

More recently, with a view to incorporating systemic guidelines to foster greater integration and coherence in the activities undertaken by entities within the UN system, UNOGBIS was converted into the United Nations Integrated Peacebuilding Office in Guinea-Bissau (UNIOGBIS). As the focal point for UN activities in the country, the new Office has wider and more inclusive duties. More specifically, the primary function of the new Office is to assist the PBC in its activities towards Guinea-Bissau, in addition to providing support to the national government in various areas, including security sector reform and the strengthening of rule of law institutions (S/RES/1876:paragraph. 3).

In short, since the conflict that devastated the country in 1998-1999, the United Nations approach to peacebuilding in Guinea-Bissau has primarily focused on political and diplomatic initiatives involving relevant actors in New York and Bissau, principally via diplomatic forums and political offices in the field.

¹³ Interview with former member of the Peacebuilding Support Office staff, via videoconferencing, 18.06.2012.

¹⁴ Interview with senior diplomat from a Member State of the PBC Specific Configuration for Guinea-Bissau, New York, 17.12.2010.

¹⁵ Unless otherwise stated, all figures referring to the PBF discussed in this article are presented as current USD values and were compiled by the author from data available on the UNDP Multi-Partner Trust Fund Office website (<http://mptf.undp.org/>). The data reflects current values as of 29.12.2012.

¹⁶ Compiled by the author from data available on the MPTF-UNDP website. See note 15.

The results of these efforts, however, have been limited. The elections held after the armed conflict were marked by serious endemic problems, including the inexperience of the opposition parties and the deterioration of the capacities and integrity of civil servants (Ostheimer, 2001: 47). The military continued to act as a kind of parallel power in the country, with Mane's influence on the executive extending to the point of "banning" a state visit by the Bissau-Guinean President to Senegal (*ibidem*: 48). In the months and years which followed, the President's failure to promulgate the new constitution and the eventual dissolution of parliament would lead to a new coup d'état carried out by the military in September 2003 (IRIN, 2003). From a socio-economic point of view, the country's GDP *per capita*, measured at purchasing power parity, fell from 1,070 dollars in 1997, before the civil war, to 710 dollars in 2002 (UNDP, 2004: 187). These limitations, however, stemmed not only from problems related to the implementation and operationalization of specific policies, but also from the theoretical-political framework of the liberal peace that underlies the UN peacebuilding efforts in the country.

Echoes of the liberal peace

The influence of the liberal peace theoretical-political framework may be found in different aspects and at different levels of the UN peacebuilding efforts in Guinea-Bissau. In fact, an analysis of the overall lines of the UN approach to peacebuilding in the country after the 1998 armed conflict reveals a strong emphasis on the promotion of values, norms and practices that reflect the projection of liberal states, particularly in what concerns their model of political (democracy) and socio-economic governance (market economies) (*vide* Newman *et al.*, 2009: 11).

The influence of liberal peace may be identified in different bodies. The mandates of the organs and entities appointed to deal with peacebuilding in Guinea-Bissau, for example, do not fail to make clear connections between the importance ascribed to activities associated with promoting democracy and achieving peace, thus reflecting one of the key ideas of the liberal peace paradigm. The mandates of UNOGBIS, and later of UNIOGBIS, explicitly reflect this formulation, given that they refer to the need to create "an enabling environment for restoring and consolidating peace, democracy and the rule of law and for the organization of free and transparent elections" (S/1999/232, 1), or assume the need to strengthen "the

capacities of national institutions in order to maintain constitutional order, public security and the full respect for the rule of law” (S/RES/1876, par. 3b).

The mandate of the ECOSOC Advisory Group also refers to aspects of the liberal peace, particularly with regard to the link between market economies and the attainment of peace. In its Resolution 2005/2, for instance, the Group expressly recognises that the main challenges faced by Guinea-Bissau were to “restore fiscal discipline [...] and improve the climate for private investment and economic diversification” (E/RES/2005/2). In this passage, the connection between “fiscal discipline” and “climate for private investment” as challenges for the peacebuilding process in the country further reinforces the central premise that market democracies are a “remedy” for the consequences of armed conflict, in line with formulations based on theorisations about the liberal peace.

More recently, the efforts of the PBC CSC-Guinea-Bissau do not seem disconnected from the basic premises of the liberal peace. Its main instrument, the Strategic Framework for Peacebuilding in Guinea-Bissau, identifies six priority areas: elections; measures to jump-start the economy and rehabilitate infrastructure; security and defence sector reform; strengthening of the justice sector, consolidation of the rule of law and the fight against drug trafficking; the reform and modernisation of the public administration; and social issues relating to peacebuilding (PBC/3/GNB/3, 14-17). As previously mentioned, these areas reveal aspects of primary concern for the liberal peace paradigm, such as security sector reform and the rule of law.

The existence of premises fundamental to the liberal peace framework within the mandates of UN bodies, as well as in their peacebuilding instruments and policies, is of crucial importance, since they are the entities that define the guidelines, priorities and objectives of the UN approach towards countries such as Guinea-Bissau. Consequently, the implementation and/or operationalisation of UN policies and projects in this area are necessarily shaped in light of the liberal peace framework. It is this framework that defines, for instance, the areas that may or may not be contemplated in specific actions, as well as those which will receive priority support.

It is important to highlight that the policies and instruments guiding UN involvement are usually formulated with significant technical support from the Secretariat or traditional donors, frequently without the effective involvement of interlocutors representing the Bissau-Guinean society, which also illustrates a channel for the transmission of values and

practices associated with the liberal peace from the so-called 'international community' to countries such as Guinea-Bissau (Paris, 2002: 644). As discussed in the previous section, this transmission occurred not only during the drafting of the Strategic Framework, but also during the implementation of other efforts in the field, such as the holding of elections or the drafting of programmes aimed at restoring fiscal discipline in the country. Taken as a whole, such efforts may be seen as an attempt by the Commission to assume a significant role in defining and identifying peacebuilding priorities for the country.

The impact of the liberal peace that underlies the United Nations peacebuilding practice becomes even clearer when the overall characteristics of PBF disbursements to Guinea-Bissau are considered. The projects supported by the Fund in Guinea-Bissau may be divided into four thematic areas, in accordance with the PBF Terms of Reference (A/63/818: 5).¹⁷ The majority of the projects (five) were classified under the heading of support to the implementation of peace agreements and political dialogue, with four of them having projected impacts on security sector reform in particular (see Table 1). As a whole, the four projects represent half (12 million dollars) of the total net amount transferred by the Fund to projects in Guinea-Bissau up to December 2012. These projects sought, amongst other objectives, to improve working conditions in military installations and hold a national conference on the defence and security sectors. On the other hand, one single project, budgeted at one million dollars, prioritised the promotion of sustainable livelihoods in Guinea-Bissau. Specifically, this project aimed to improve Bissau-Guinean women's economic rights. Despite the significant amount, it should be noted that the project was approved within the context of the Immediate Response Facility (IRF), a PBF financing mechanism that supports projects, not programmes (see A/63/818: 6); in other words, this specific project was not necessarily drawn up in accordance with the long-term plans envisaged in the Strategic Framework outlined by the PBC.¹⁸

¹⁷ Interview with staff member of the Peacebuilding Support Office, 09.10.2012.

¹⁸ All data compiled from information available on the MPTF-UNDP website (<http://mptf.undp.org/>).

Table 1: Distribution of PBF funding in Guinea-Bissau

| Thematic areas, with subcategories | Projects | | Net Transfers | |
|---|-----------|------------|-----------------|------------|
| | Quant. | % | Millions of USD | % |
| 1. Support for the implementation of peace agreements and political dialogue | 5 | 42 | 12.9 | 54 |
| 1.1. Security sector Reform (SSR) | 4 | 33 | 12 | 50 |
| 1.2. Rule of law | 1 | 9 | 0.9 | 4 |
| 1.3. Disarmament, demobilisation and reintegration | - | - | - | - |
| 1.4. Enhancing political dialogue for peace agreements | - | - | - | - |
| 2. Promotion of coexistence and peaceful resolution of conflict | 2 | 16 | 2.4 | 10 |
| 2.1. National reconciliation | 1 | 8 | 1.4 | 6 |
| 2.2. Democratic governance | 1 | 8 | 1 | 4 |
| 2.3. Management of natural resources | - | - | - | - |
| 3. Economic revitalisation and generation of immediate peace dividends | 3 | 25 | 7.5 | 32 |
| 3.1. Creating short-term job opportunities | 2 | 17 | 6.5 | 28 |
| 3.2. Sustainable livelihoods | 1 | 8 | 1 | 4 |
| 4. (Re)establishing essential administrative services and related human and technical capacities | 2 | 17 | 1 | 4 |
| 4.1. Public administration | 2 | 17 | 1 | 4 |
| 4.2. Provision of public services (including infrastructures) | - | - | - | - |
| TOTAL | 12 | 100 | 23.8 | 100 |

Source: Data available on the MPTF Office website (<http://mptf.undp.org/>). The thematic areas reflect the Fund's Terms of Reference (A/63/818) and the subcategories are in accordance with those used internally in the PBSO (information obtained from interviews with the Office staff).

Significant echoes of the liberal peace paradigm can thus be detected in United Nations peacebuilding efforts in Guinea-Bissau. Although often implicit, these echoes may be identified in the mandates of organs and entities with specific responsibilities in the area of peacebuilding in the UN, where priorities and objectives are defined in the first place. Consequently, those echoes are also present in the implementation and format of programmes and projects carried out by the UN and other international actors in the field.

Final considerations

In spite of the involvement of the United Nations and the so-called “international community” following the 1998-1999 armed conflict, Guinea-Bissau does not appear to have achieved the sustainable peace desired by those actors. In fact, the country's socio-economic development indicators remain very low, with some still at similar levels to 1997, prior to the outbreak of the civil war. Furthermore, political events such as failed coups d'états in the early 2000s, the assassination of former President Nino Vieira in 2009 and the

recent military incursions into the political life of the country in April 2012 indicate that important political and institutional challenges still persist in Guinea-Bissau. In this sense, the situation in the country demonstrates the fragility and the limitations of the liberal peace paradigm that underlies the UN approach to peacebuilding in post-armed conflict situations.

This article demonstrated that the United Nations approach to the peacebuilding process in Guinea-Bissau since the late 1990s has been heavily based on the theoretical-political framework of the liberal peace. It has identified the influence of this approach not only in the implementation phase of UN projects and activities in the field, but also during their design. The article argued that the limitations of UN peacebuilding are related not only to the implementation of specific policies, but also to their actual preparation and design, since the definition of guidelines, priorities and objectives already incorporates conceptions and worldviews that are subsequently transmitted vertically, from the top-down, in post-armed conflict situations. In this sense, any analysis of these processes needs to consider not only the implementation of concrete actions in the field, but also their implicit values.

The analysis undertaken here not only confirms that the UN peacebuilding concept and practice in Guinea-Bissau have been influenced by the liberal peace, but also points to the persistence of this theoretical-political framework as the paradigm underlying the UN approach to the former Portuguese colony over the past fifteen years. In effect, despite some changes and innovations in UN efforts (e.g. the creation and redefinition of political offices in the field and institutional reforms in New York), the general approach to peacebuilding in the country is still excessively based on the promotion of markedly liberal values and practices, particularly through diplomatic support, the definition of priorities and support to areas deemed relevant for the construction of a liberal state that resembles the political systems in the Global North. In this sense, future reviews and approaches to UN peacebuilding in Guinea-Bissau must also include more in-depth considerations that examine the compatibility and relevance of the liberal peace framework in that specific context.

Translated by Sheena Caldwell

Revised by the author and Teresa Tavares

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Free Software Culture and Development: An Analysis on Potentials and Limits in and Beyond the Context of the “New Economy”*

This article analyzes the potentials and limits of the free software culture and the products derived from it in what concerns the promotion of economic and social development in the context of the “new economy” and the alternatives to it. It examines the incentives and constraints to innovation, in its different senses, generated by free softwares as goods technically distinct from proprietary software and developed on the basis of specific values and interests. It also reflects on their limitations and capabilities in relation of the promotion of development strategies aimed not only at economic growth based on technological improvement, but especially at generating social opportunities.

Keywords: free software; new economy; innovation; economic and social development; information and communication technology; access asymmetry.

Introduction: The “new economy” context

In the last decades of the twentieth century, a structured set of changes combined with the development of new information and communication technologies (NICTs) to accelerate the process of broad, collective transformations occurring in the world at large. In the new setting, countries across the planet steadily embarked on a dynamic of increasing interdependence that caused the emergence of new forms of interaction between the cultural, political and economic fields. Although the changes in question did not affect every world region to the same degree and cannot be said to be the result of a straightforward, irreversible complex of global transformations (Cocco, 2011; Santos, 2011), it is safe to say that they are the expression of a number of phenomena that are becoming hegemonic and whose consequences and characteristics cannot be ignored, given their impact on decision-making, especially in politically and economically dominant societies (Guesser, 2011).

Because of this dynamic of collective transformations coupled with rapid technical development, a “new economy” took shape. In the new environment, profitability and competitiveness – “the actual determinants of technological innovation and productivity growth” (Castells, 2010: 136) – are achieved through improved technology, made possible by the accumulation of knowledge and the increasing complexity of information processing. A knowledge-centered economy thus emerged, its development based on the transformation

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of information into innovation, which laid the foundations for what could be termed a “knowledge economy” (Julien, 2010).

From then on, the pursuit of economic innovation – based on the ability to speed up the whole process of rolling out new products and services across the market – has become the main strategy for business expansion and the most important means of beating the competition. The “new economy” is inextricable from the unending search for new potential consumers, seen as opportunities to add to the amount of accumulated capital. This largely explains why the new technologies get to be created and disseminated at such great speed (Castells, 2001).

At the same time, the hegemonic economic context also contains multiple tensions arising from its internal constraints, which in turn derive, among other reasons, from the fact that the legitimacy of any challenge to the social order as dictated by the market and by technological advances is undermined (Martín-Barbero, 2006). Within that order extending from the center to the peripheries, “globalization” builds upon a dynamic that connects everything it deems instrumentally valuable – individuals, companies and institutions – while disconnecting all that is not perceived as relevant under this logic (Bauman, 1998). Thus the “new economy” and its avatars, such as the concepts of “society” and “knowledge economy,” basically depend on the inertia of the traditional systems that define the conditions for knowledge production and reproduction, which are often marked by all sorts of authoritarianisms and impositions (Orozco Gómez, 2006).

In the current economic environment, states and international regulatory bodies play a major role in perpetuating the existing objective conditions with regard to knowledge, as it is they that stipulate institutional restrictions to the access and dissemination of information and knowledge, turning them into commodities (Albagli and Maciel, 2011). Thus, the level of control and concentration of the resources seen as strategic for the “new economy” has increased, through a strengthening of the mechanisms for protecting intellectual property rights, as has been the case with software development since software started being privatized on a large scale a few decades ago.

While it is clear that there is a collective downside to the emergence of the new forms of domination and inequality observed in the aftermath of the capitalist restructuring of the late 20th century and during the globalization process that shaped the “new economy” in the same period, the changes currently under way present us with a complex set of phenomena

that are at once negative and positive, as well as deeply ambiguous and unpredictable at times (Kellner, 2003). The complexity of this whole context therefore requires a critical perspective that allows for its various aspects to be properly assessed. Furthermore, such a perspective should remain skeptical of the legitimization of the new environment's ideological discourse while acknowledging the relevance of the phenomena that constitute it, in order to be able to assert and explore its positive aspects (Best and Kellner, 2001; Kellner, 2002).

Since the new information and communication technologies play a leading role as a resource used by globalization to mobilize various flows of goods, information, people and capital in increasingly interconnected societies, economies and cultures (Castells, 2010), the complexity of our current scenario is inevitably present also in the modes of creating and appropriating these technical innovations, which may either cause great harm to the human species or generate new ideas, wealth and major developments in the global arena (Kellner, 2003). Thus, the history of how personal computers (PCs) were first created and popularized, the practices and values of the early software development communities, and the emergence and spread of the Internet,¹ all show that the development of NICTs is the product of a variety of social and cultural interactions that are partly conflicting, partly complementary, and partly also a result of the logic of the "new economy."

Among the sociocultural phenomena incubated in the period of far-reaching changes that marked these past few decades, the culture of free software stands out for its ability to promote both proximity to and an almost insurmountable distance from the sphere of the organizations, institutions and values that are dominant in the contemporary economic scene. Thus, unlike those approaches that tend to focus on only one side of the coin, the present article examines the multiple aspects of the potentials and limits of free software culture, in and beyond the logic of the "new economy." In other words, it looks into how free software culture promotes development through strategies that are embedded in an environment of economic competition and characterized by the constant need to generate new knowledge, and it analyses its potential for social inclusion and empowerment, rather than dwelling solely on the restrictions of a logic based on the perpetuation of widespread asymmetries and exclusions.

¹ On the emergence and development of personal computers, see Breton (1991), Negroponte (1995) and Balduci (2000). On the history and culture of the Internet, see Castells (2001, 2010); Cardon (2012). On the origin of "free software," see Kelty (2008), Chopra and Dexter (2010) and Coleman (2010).

Free software culture: Origins and current situation

As Coleman (2010) points out, until the 1980s the software developed in the United States was seldom subject to copyright and patents, which made it possible for programmers and hackers to work together, perfecting their source codes.² From then on, however, private companies began to close down those programs under the laws of Intellectual Property (IP), which were spreading rapidly at the time. Richard Stallman, a hacker and a programmer at MIT's Artificial Intelligence Laboratory, responded by starting a movement for the creation and preservation of what became known as free software (Silveira, 2004; Coleman, 2010).

For Stallman and his followers, the source code and the potential for sharing were the basis for the strong connection between the community of developers and the culture of programming, which was rapidly falling apart at the time. In 1983, in an attempt to prevent this culture from becoming extinct, Stallman launched an alternative license, GNU (General Public License), also known as copyleft. By starting GNU, Stallman created "a license whereby he kept the copyright of his code while allowing free distribution, provided that such freedom was extended to every user" (Coleman, 2010: 133). In other words, he used the weapons of his "enemies" against them.³

After Linux (a UNIX-based operating system developed by Linus Torvalds)⁴ first arrived on the scene in 1991, there was a proliferation of voluntary associations inspired by the ideology of free software (Silveira, 2004). At the same time, from the early 1990s programmers and hackers alike became more and more acquainted with the laws governing free software and Intellectual Property Rights so as to protect themselves against them. These laws and regulations were becoming increasingly far-reaching and restrictive, while copyleft evolved in the opposite direction, and in doing so brought insecurity to the big

² According to Coleman (2010: 132), the source code is the "set of underlying functions that make computer programs work." One may also define it as a "set of words or symbols written in an orderly, logical fashion, containing instructions in one of the existing programming languages." Accessed on 03.02.2014 at http://pt.wikipedia.org/wiki/Código_fonte.

³ The GNU Manifesto, which marks the beginning of the Free Software Movement, lists "four freedoms" its followers are supposed to respect in the process of sharing software production: "The freedom to run the program, for any purpose" (freedom #0); "The freedom to study how the program works, and adapt it to your needs" (freedom #1); [...] "The freedom to redistribute copies so you can help your neighbor" (freedom #2); "The freedom to improve the program, and release your improvements to the public, so that the whole community benefits" (Freedom #3) (Murillo, 2010: 77).

⁴ An operating system developed by Bell Labs, UNIX laid the foundations for the development of the Internet (Castells, 2001: 16).

corporations, where the advantages of open source were already being acknowledged (Coleman, 2010).

The tensions arising from the spread of copyleft in the face of private corporate interests led a group of hackers, with Eric Raymond as their most famous representative, to launch the Open Source Initiative (OSI) in 1998. Their purpose was to try to extricate free software – which they termed Open Source Software – from its moral and political significance. The group adopted a pragmatic approach that valued open source for its technical advantages, in an effort to make it “more palatable to the corporate world” (Coleman, 2010: 141).

The internal divisions that affected the Free Software Movement (MSL) launched by Stallman in 1985, as a result of the creation of the Open Source Initiative (OSI) and the emergence of the Open Source Software, show the importance of the role played by pragmatism as a central value for many copyleft advocates, who attribute the quality of their work to their higher level of organization and to the type of software developed under this logic, in contrast to the mode of production of large commercial companies. Besides, such pragmatism, which clearly has to do with the “free spirit” that pervades this culture, makes it possible for many users to claim the right to use their applications for commercial purposes without betraying the software’s most basic principle: open access to all the information contained in the program, including the freedom to modify it and use it at will.

Briefly put, unlike proprietary software, the culture of free software is based on practices and values that, while differing markedly from those of copyright-protected software, also permit interconnections with the logic of the latter, as is the case with Open Source Software. Thus the distinctive character of “free software” as understood by Stallman and MSL has a lot more to do with ideological issues than with technical differences, since both types share the same historical and social roots and a number of core values built around the idea of freedom.

According to the information available on SourceForge.net, the largest repository of open source code on the Internet, there were 180,000 registered projects and 1.9 million registered users in 2008 (Johnson, 2010). In 2003 there were about 400,000 free software developers from more than 90 countries (Silveira, 2003). Moreover, since early in 2000 a number of companies around the world have been making at least partial use of copyleft systems: these include several large groups, both private and public, such as Lufthansa, Walmart, Dow Jones, Amazon.com, Banco do Brasil, and Petrobrás; government agencies

and institutions like NASA and the Pentagon; and various Ministries, State Assemblies and Federal Universities in Brazil, among others (Guesser, 2011).

In the case of Brazil, the use of free software increased both in public agencies and in the corporate world as a result of the growth of demand and the market, after the Federal Government issued the Free Software Implementation Guidelines in 2003. The government's preference for this type of software was thus made official, its ultimate goal being the adoption of open standards in view of the advantages⁵ inherent in open source software (Miranda *et al.*, 2008).

At the same time, some of the most important contributions in the history of free software culture, with an impact at both the social and economic level, have been reflected in the changes effected by this culture since it first emerged, both in the institutional sphere – with the creation of the GNU license within the existing legal framework – and in the organizational and technological spheres. The innovative nature of the latter changes is particularly noticeable in the way the Internet evolved.

The Internet and the contributions of free software

As pointed out by Castells (2001), the Internet could never have originated in the business world. This becomes obvious when we think that in its early years, in the 1960s and 1970s, its technology was too bold and required very high investment costs, and thus it was incompatible with organizations driven by profit and short- or medium-term returns. Only the state could afford the huge resources and the risks involved in launching the Internet, which explains why it emerged in the political and military climate of Cold War America. At the time the United States government was committed to mobilizing research resources in association with the country's academic institutions, its goal being to achieve technological and military superiority over the Soviet Union.

The beginnings of this trajectory cannot be fully understood unless mention is made of the unwonted encounter, in US research laboratories, between big science and the libertarian countercultural trends that shaped the first decades of the second half of the 20th century. That “unlikely intersection” (Castells, 2001: 17) established a link between, on the one hand, the cutting-edge scientific research carried out by the academic elite at US

⁵ For a discussion of these advantages and benefits, see below.

universities – which tended to work on large, government-funded military projects – and on the other a culture or an ideology based on the unwavering defense of individual freedom and “a systematic distrust of government” (*ibidem*: 33).

Thus, one decisive step toward building the computer networks that were to give rise to the Internet was the creation of a community of users, made up mostly of students and academic researchers, who used the UNIX operating system. This is how

UNIX became the *lingua franca* of most computer science departments, and students soon became adept at its manipulation. Then, in 1978 Bell distributed its UUCP program (UNIX-to-UNIX copy) allowing computers to copy files from each other. On the basis of UUCP, in 1979, four students [...] designed a program for communication between UNIX computers. An improved version of this program was distributed freely at a UNIX users’ conference in 1980. This allowed the formation of computer communication networks, Usenet News [...] thus considerably broadening the practice of computer communication. (Castells, 2001: 13)

Here we can observe how the free software culture had a direct influence not only in the creation of UNIX – a program that was to play a crucial role in the development of Internet technology – but also in the structuring of a number of networks characterized by flexibility and by practices of free sharing of information among its users. Similarly, as seen above, the development of UNIX-based Linux was to raise awareness, among hackers and geeks at first, and later in the business community and society in general, of the full potential of shared production, which is a hallmark of the universe of software production.

Moreover, although the exponential expansion of the Internet did not take place until the 1990s, when privatization turned the new technology into a truly “global network,” its rapid spread throughout society was not caused by the advent of commercial operations alone, since

[...] by 1990 the Internet was still difficult to use for the uninitiated. There was very limited graphic transmission capability, and it was extremely hard to locate and retrieve information. A new technological leap allowed the diffusion of the Internet into the mainstream of society: the design of a new application, the *world wide web*, organizing the Internet sites’ content by information rather than by location, then providing users with an easy search system to locate the desired information. (Castells, 2010: 50)

The “www” consists of a browser/editing program based on the logic of hypertext and multimedia technologies, hence the software’s audiovisual nature. Once created, it was immediately distributed throughout the net, free of charge (*ibidem*: 51). From the moment it was launched under a copyleft license, many hackers began developing their own browsers, seeking in many cases to explore their future business potential.

The first browser to become popular was Mosaic, designed to run on personal computers and released free of charge in 1993. Within a year it already had millions of users. Soon after that, its creators, who had joined Jim Clark (a prominent Silicon Valley entrepreneur) to start Mosaic Communications, launched Netscape Navigator through the Netscape Communications Corporation (formerly Mosaic). In 1995 Microsoft made its debut in the world of the Internet, releasing Internet Explorer with Windows 95. In 1998, financial difficulties led Netscape to adopt measures that were unprecedented at the time for a private information technology company: in an effort to recover from the slump in its share prices, it released “its browser’s source code under an open source license” (Coleman, 2010: 141). Eventually Netscape Navigator was followed by Mozilla Firefox (currently under a copyleft license), which has become one of the most widely used browsers in the world.

Conversely, until the dawn of the 21st century the web – the graphical portion of the Internet – was dominated by large commercial portals such as Yahoo! and America Online (AOL), both launched in the US in 1996, and Universo Online (UOL), released that same year in Brazil. The market for HTML⁶ programming and for website and webpage designing went through a period of dramatic growth at around the same time.

Thus, during the web’s first phase, Internet users were primarily receivers and consumers of information, products and services made available by companies and other entities (Campos, 2009). Since around the beginning of the 21st century, however, the general attitude of major content providers, Internet companies, and users themselves changed sharply in comparison to that early period, which became known as Web 1.0.

With the second generation of the “world web,” information technology companies began to awaken to the possibilities of content creation based on the users’ *active* and *collaborative* participation, through the incorporation of Internet uses and practices associated with the open, free production culture that marked the beginnings of the web and lies at the roots of free software. Such uses and practices eventually shaped what is called the Web 2.0, and made possible the emergence of world-spanning, commercially appealing, information-sharing sites like YouTube and Facebook. As web pioneer Dale Dougherty clearly understood as early as 2004, “far from having ‘crashed’, the web was

⁶ HyperText Markup Language, a format specifically designed for hypertext documents, relies on the Internet’s proverbial flexibility, which allows the new shared format to accommodate specific computer languages (Castells, 2010: 51).

more important than ever, with exciting new applications and sites popping up with surprising regularity” (O'Reilly, 2005: 1).

Thus, the history of the development of the Internet serves to illustrate the idea that innovations tend to cause companies to move beyond their own horizons and resort to a vast network of collaborators, “in a structure that is similar to a highly diverse and complex ecosystem, [and] whose commercial dimension is but one of its many facets” (Arbix, 2010: 171). As far as the Internet is concerned, the organizational, production and distribution logic underlying the world of free software, rather than going against the development strategies of the “new economy” proved essential in fostering those strategies, even when it was not primarily driven by economic gain – as is the case with proprietary software production and large Internet companies.

Free software culture, innovation and development: In and beyond the “new economy”

The idea of *innovation* is inseparable from the development strategies designed to ensure that countries perform well in the context of the “new economy” and globalization. As a rule, innovation can be understood either in the plainest sense, drawing on such notions as “rearrangement,” “combination” and “exploration” (Arbix, 2010: 168), or in connection with the market – be it as “the economic application of a new idea” (Black, 2009: 230), be it in terms of “every new process, discovery, product or service – whether high-tech, low-tech or no-tech – that adds economic value to the company” (Arbix, 2010: 170).

With these definitions in mind, it seems appropriate, as a first step, to look into the potential and limits of free software culture with regard to the promotion of development. Our point of departure will be the idea of innovation in an environment of economic competition, where the production of new knowledge is used as the chief raw material of the innovative process. Next this culture will be analyzed from another angle: that of innovation understood in a broader sense, i.e., not confined within the current prevailing model of economic and technological development, but focused, instead, on overcoming the reproduction of the asymmetries and exclusions that define the dynamics whereby information and knowledge, both specialized and non-specialized, are produced and disseminated (Albagli and Maciel, 2011).

Regarding the first topic, Yochai Benkler’s *The Wealth of Networks* (2006) highlights the main attributes and benefits of today’s “networked information economy,” thus redeeming,

at least in part, the values and assumptions of the so-called “new economy.” The author argues that decentralized individual action is a lot more important now than in previous periods, when the traditional paradigms of industrial production were the rule. More specifically, according to Benkler, today’s environment is characterized by the emergence of a “new invisible hand” generated by an economy that is based on the immaterial and is fundamentally communicative in nature, and which, moreover, rests on the potential of networks to give shape to a free, productive society under new technological and economic conditions.

On the other hand, the greatest potential of this new networked system of which Benkler speaks, lies mostly in the unprecedented possibility of exchanging a very large and diverse amount of information at a low cost. For this to happen, existing conditions must allow the proliferation of sustainable collaborations and resource sharing among individuals and groups who are in a position to be independent producers, based on models such as copyleft and commons, instead of the institutional arrangements confined to today’s prevailing notions of property. These, for Benkler (2006), are the positive traits of the current period in comparison with previous production systems, as well as its major advantages in terms of generating wealth and development.

In view of these traits, the permission to freely modify the source code of open source software in a competitive market amounts to a number of advantages over proprietary software, which tends to be confined by the constraints of intellectual property rights. In such a context, where economic and technological innovation based on the intensive use of knowledge plays a central role, the advantages of free software hinge mainly on the possibility of its being used for the purposes each player in the market sees as best for their interests. For entrepreneurs working with software development, this means, among other gains, the extra advantage of possessing, and also of offering their clients, a variety of customized programs and services (Ferraz, 2002; Mendes, 2006; Guesser, 2011). By the same token, both the speeding up of the learning process made possible by the access to the source code and its documentation, and the fact that developers participate in various free software production projects – thus tacitly sharing expertise through contact with other professionals – are key factors for promoting innovation in companies that exist in an economy based on intangibles (Mendes, 2006).

Furthermore, it should be pointed out that opting for copyleft licensed software does not

mean that only this type of program is going to be used. In some companies it is common for it to exist side by side with software protected by intellectual property rights, without the former being affected by this in a negative way. At the same time, the fact that it is no longer necessary to incur the cost of many licenses for operating systems and applications, or to acquire new hardware – because open systems, owing to their enhanced performance, require less processing capacity (Ferraz, 2002; Mendes, 2006; Guesser, 2011) – means that company resources can be redirected so as to invest in innovation rather than financing large corporations through the purchase of proprietary software.

Still, one major hindrance to the spread of free software and the recognition of its potential for generating economic and technological innovation has to do with the way in which the software market structured itself over the last decades, following a pattern of monopolistic expansion.⁷ As Guesser (2011) pointedly observes, free software is not synonymous with cost-free software, as its use – even when no customized software had to be developed – inevitably carries costs relating to training, technical support and basic maintenance. Therefore, given that only a few professionals have the skills to work with the programs in question, the lack of competition results in much higher prices being charged for these services than for jobs related to software with a market monopoly, such as the Windows operating system and the application packages that come with it.

It is also important to stress the risks arising from the misappropriation of works generated from free software. These risks arise primarily from the use of the core idea of the source code, followed by its being “closed” when new software is rewritten by a developer and incorporated into the idea of the original source code in slightly different form. The new software is then marketed as if it had been wholly created by the new developer under the protection of intellectual property rights (Mendes, 2006). Therefore, private misappropriation increases the tendency toward the commodification of immaterial goods spearheaded by the large software industries, and is consistent with the logic of capitalism in terms of turning products into commodities, while also not deviating from the pattern of domination of Southern countries by Northern countries (*ibidem*).

In connection with these issues, it seems appropriate to consider, as part of a bigger

⁷ To illustrate: In 2014, over 90% of personal computer users around the world are using some version of the Windows operating system. See “Desktop Browser Share Trend,” *NetMarketShare*. Accessed on 03.02.2014 at <http://www.netmarketshare.com>.

picture – though still well within the scope of economic dynamics – the potential of free software culture as it relates to the problems that, according to Amartya Sen (2000: 144), have to do with the “inequality in the distribution of substantive freedoms and capabilities.” For if, on the one hand, these freedoms and capabilities can be fostered, for example, by the possibility of free trade and free choice of employment under ideal conditions of market competition (Sen, 2000), on the other hand the absence of said conditions can severely curtail those freedoms and arrest the development of those capabilities, through mechanisms that favor the preservation of property rights and the formation of monopolies.

Free software culture has the capacity to act as a regulator of such distortions, since it can be an important tool to keep markets efficient to the extent that it helps make them more competitive and less monopolistic. By the same token, coordination with government initiatives – as is the case in Brazil, with the establishment of technical committees aimed at coordinating the planning and implementation of free software – can pave the way for its products and services, encourage the development of local technology, and promote free competition among suppliers (Miranda *et al.*, 2008).

Specifically regarding the distribution of capabilities, i.e., the potential to use not only income, but a variety of means such as knowledge (Sen, 2000), the technical properties of free software have the advantage of enabling increased interconnectivity and flexibility in the access to and exchange of resources at a low cost by a virtually unlimited number of individuals, as envisaged by Benkler (2006) in his networked production model. In order for this to occur, however, the technical properties need to work in tandem with non-digital – namely social and cultural – variables aimed at a better distribution of power in society (Sassen, 2011). In light of this, the “culture” underlying open source and its products proves vital, because the values and interests that define it allow for the technical capabilities that characterize these programs to be combined with the imperative to develop human capabilities to the full.

Thus the debate on free software development should take us beyond a mere consideration of the possibilities and limits pertaining to the competitive environment of markets and technological innovation. Another kind of analytical angle is then necessary. According to this second approach, the question of inequality in the distribution of *substantive freedoms* and *capabilities* calls for a rethinking of the narrow definitions of innovation as used in the realms of the market and technology, so that we can move toward

an understanding of the concept's full meaning.

From this perspective, the idea of *innovation* may be broadly defined as any action/initiative meant to create something novel for the purpose of solving problems or providing for the needs of individuals and/or groups, based on practical and/or theoretical knowledge – in other words, in consonance with a given society's (territory/culture) stage of technical development and knowledge at a given historical moment (Baumgarten & Santos de Lima, 2014). It is therefore related to the notion of *development*, not in the customary sense of progress (viewed as a linear, unequivocal transformation process), but rather as a historical shift toward solving multiple problems and social needs (*ibidem*). Besides, this approach brings to the fore the capacity individuals and groups have to organize themselves in order to achieve social gains and a (re)distribution of power, which to a large extent depend on how well-informed they are and their level of education – that is, on the distribution of knowledge (Maciel, 2005).

Based on this broadened conception of innovation, it becomes possible to devote all the potential of the culture of free software and related products to the preservation of the substantive freedoms and the distribution of capabilities, in pursuit of correspondingly broader goals, which is to say, with the aim of creating *social opportunities*.

The possibility of creating such opportunities becomes fairly clear when free software is viewed as a tool for inclusion and the reduction of social inequalities, and when the latter is seen in terms of bridging the digital divide. But as Warschauer rightly explains, meaningful access to new technologies entails a lot more than providing computer resources such as hardware, software and Internet access, because

[it] is embedded in a complex array of factors encompassing physical, digital, human, and social resources and relationships. Content and language, literacy and education, and community and institutional structures must all be taken into account if meaningful access to new technologies is to be provided. (2004: 6)

To put it succinctly, contrary to naive notions that tend to focus exclusively on the question of technological dissemination, digital exclusion and inequality do not stem primarily from lack of, or unequal access to, material or immaterial resources strictly pertaining to the realm of information technology, but are rather the result of poor distribution of resources and capabilities in general.

But while it is important to be aware of the limitations of the role of free software in

development strategies grounded exclusively on the acquisition of new technological goods, it is also important to point out that the diffusion of NICTs currently in progress is increasingly becoming a factor in either “stratification and marginalization or development and equality” (Warschauer, 2004: 210). Therefore, the political challenge we are facing, as far as technology is concerned, is inextricable from the *expansion of NICT access and use* as a social inclusion strategy, although that is not the only task ahead.

Thus, when measures and initiatives are undertaken to promote digital inclusion, the advantages deriving from the freedom to adapt copyleft licensed software – particularly with regard to the possibility of program customization – translate into an opportunity to make adjustments to a wide gamut of social, cultural and economic needs of individuals in different specific contexts (Silveira and Casino, 2003). For the fact is that, when compared with proprietary software or even with other information technologies, this adaptability is a lot more successful at giving prime focus to the issue “of social structures, social problems, social organization, and social relations” (Warschauer, 2004: 211), which are the determining factors behind the asymmetries and the poor distribution of resources and capabilities.

Taking into consideration the needs and interests of users in their particular contexts, free software makes it possible to develop communication, learning and discussion tools truly at the service of those who use them. By doing so, moreover, it opens up important alternatives to the sort of strategies of technology production and dissemination that reproduce social conditions and thus end up inhibiting development in its broader sense: the creation of social opportunities as well as the expansion of human capabilities and quality of life (Sen, 2000).

Closing remarks

This paper argues that free software culture does not have a secondary role in the context of the “new economy.” On the contrary, it has played a leading role in the broad range of technological and social changes of the late 20th century. It has also had, and continues to have, a significant impact on the restructuring of the capitalist economy, as a result of the technical and organizational innovations derived, both directly and indirectly, from such values as freedom and the sharing of information and knowledge.

Furthermore, the potential of free software culture for promoting development in and beyond the context of the “new economy” proves diversified and consistent in view of

current social and economic challenges and needs, both in core regions and in regions less impacted by hegemonic globalization. More precisely, the flexibility of the software under analysis, which is based on the notion of free sharing, makes it adaptable to various contexts, be they economic – with potential benefits in terms of market-driven innovation – or socio-cultural – by focusing development on reducing asymmetries, fostering inclusion, and bridging the digital divide.

Given the above, and to the extent that they can be both part of and apart from market dynamics, thus cutting their own semiautonomous path vis-à-vis hegemonic economic imperatives and the interests of governments, free software culture and its products prove to be instrumental not only for expanding *substantive freedoms and capabilities* but also in terms of obtaining social gains and (re)distributing informational power. As such, they are extremely relevant tools for implementing *innovation* – in the broad sense of the word – and for promoting Amartya Sen’s principle of “development as freedom.”

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