

Associations and Order in *The Cultural and Political Economy of Recovery*

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Can the independent voluntary actions of individuals coordinate in a meaningful way to overcome the seemingly insurmountable recovery efforts necessary in the aftermath of large-scale natural disasters? Officials of the United States government assert strong skepticism at the idea, employing public works programs as substitute for the decentralized network of individuals, associations and practices. The efforts of federal disaster management are predicated on the assumption that the voluntary sector of the economy is feeble, incapacitated and must be subjugated to the authority of the federal government if recovery is possible. This assumption is what Richard Cornuelle termed *The Great Misunderstanding*: the idea that the state is the instrument through which collective responsibility for market failure is best exercised (1983: 10). In *The Cultural and Political Economy of Recovery*, Emily Chamlee-Wright leverages a hermeneutic style of economic analysis to reverse this deep seeded presumption of failure of the voluntary sector.

Chamlee-Wright examines the post-Hurricane Katrina community redevelopment of New Orleans neighborhoods as a process of complex social learning. In the aftermath of disaster, particular neighborhoods such as the one surrounding the Mary Queen of Vietnam (MQVN) Catholic Church successfully recovered relatively quickly – many in light of economic hardship. In answering the questions of why and how successful recoveries were possible, Chamlee-Wright provides a rich analysis of how a community's particular bundle of culture and social capital serve to facilitate reconstruction. In the case of the MQVN neighborhood, Chamlee-Wright uses narratives of community members to establish the existence of strong habits of association and the presence of priestly authority. These cultural tools gave the community an advantage in reconstruction by reducing social distance between secular and religious life. Acting as a social entrepreneur, Father Vien leveraged the social

capital in his community by productively utilizing the authority the community vested in him and the church. After the storm, the priest traveled to evacuation sites, meeting with parishioners of the church, taking their photographs and confirming the safety of friends and family members to others in the parish. Within five weeks of the Hurricane, while most of New Orleans was virtually empty, Father Vien held mass for over 300 people. The Vietnamese community was resilient.

As Chamlee-Wright argues, the priestly authority served as a focal and decisive moment in the decision of many to return and rebuild the MQVN neighborhood. But the authority of Father Vien alone was insufficient. Recovery was possible because of strong supporting cultural tools including a shared historical narrative of a “second homeland” that expressed a cultural identity rendering the post-disaster context navigable. Buttressing these narratives were mental models and shared identities of being hard working, self-reliant and family-oriented. Together this cultural tool-kit enabled this non-affluent community to overcome collective action problems that plagued other similar neighborhoods.

From this and other contextual studies, Chamlee-Wright investigates social learning, a “phenomenon whereby society achieves a level of coordination and cooperation that far exceed our ability to intentionally design it” (2010: 4). In other words, she approaches the study of post-disaster recovery with the notion that the coordinating properties that occur spontaneously in the market may be instructive for how we understand social order in non-priced environments.

Chamlee-Wright’s specific contribution provides rich ethnographic case studies of specific reconstruction efforts following Hurricane Katrina to explain how social learning occurs among groups after a crisis. She proceeds with a methodological approach distinct from modal empirical economics by adopting qualitative interview instruments and grounding her analysis in the experiences and interpretations of the survivors of Katrina. Rather than a mere collection of related case studies, however, the book offers a broader aim of understanding the reciprocal nature between culture and social institutions.

Cultural Economy and Social Learning

Investigating the “cultural economy,” Chamlee-Wright discusses a complex set of relationships between social institutions and the “structure of socially embedded resources.” These resources include shared mental models, generalized norms, cultural tools and social networks (2010: 16). Using this framework, she demonstrates how shared mental models and culturally specific norms may serve as signals and focal points to coordinate social action in non-

priced environments. In the case of the MQVN community, the community rebuilding of the church was made possible because of the specific social capital in the community and in turn, the church stood as a coordinating signal of neighborhood rebound.

Lavoie (1991) argued that entrepreneurship not only takes place within culture, but “is utterly shaped by culture and fundamentally consists in interpreting and influencing culture” (p. 36). In this vein, Chamlee-Wright cross-pollinates economics with sociology, marrying culture as a constraint with Swindler’s (1986) notion of culture as tools of human agency. While economists have increasingly come to study the cultural underpinnings of development and intuitions, economists from the likes of Hayek (1973, 1978, 1988) and North (1990, 2005) view culture as a foundational constraint of institutions and economic performance. The framework established in the book serves to articulate and advance a productive method of assessing how culture tools can be used by individuals to solve complex social dilemmas.

While Chamlee-Wright’s book develops an innovative and rich approach to understanding social phenomenon, it also raises a curious puzzle regarding social learning in non-priced contexts. While shared mental models and general norms may serve to coordinate social action in non-priced environments by serving as focal points – many inefficient or counterproductive cultural practices also structure how individuals perceive their environment. Some cultural tools can reinforce productive mental models that enable individuals to better navigate their environments. On the other hand, the introduction of new cultural tools may disrupt cultural patterns and undermine dominant mental models. The variation in how cultural tools are utilized, and their tendency to change over time, suggests a limit to abstract analysis and a strong need for studying the use of cultural tools in localized and context specific cases. Hence the puzzle: how can researchers identify productive versus unproductive uses of socially embedded resources in non-prices environments?

Chamlee-Wright argues that “just as the market context generates a process of social learning, civil society also generates a process of non-price social learning as individuals identify, reconfigure and deploy socially embedded resources” (2010: 174). In stretching the operation of social learning processes to non-priced environments, however, she provides no clear way to distinguish between efficient and inefficient coordinating equilibria. Non-priced arenas of social action lack feedback loops equivalent to that of profit and loss in the market (Chamlee-Wright and Meyers, 2008). The absence of equally strong forces in non-priced environments leaves open the possibility that the disequilibrium dynamics move in directions away from increased coordination. In identifying the significance and role of culturally specific coordination

mechanisms, Chamlee-Wright's research is a model of context specific analysis replicable for future research in alternative settings.

Examining the feedback mechanisms in priced and non-priced environments is particularly important when interpreting what Chamlee-Wright means when she analogizes "social learning" in the market to the voluntary sector. In the market, profit and loss are the mechanisms that communicate knowledge to producers as to whether they are using resources consistent with consumer preferences and competing demands. When speaking of how individuals come to learn how to better coordinate their actions with those in the extended order, they do so by responding to competition for resources and signals of profit and loss. In other words, learning occurs when the profitable undertakings win out over the unprofitable ventures. Prices and competition lead society to learn the most "correct" allocations available given constraints.

In order for the non-priced sector to have a social learning process similar to that which exists in the priced sphere, it is not enough to say that individuals "identify, reconfigure and deploy socially embedded resources." Unprofitable entrepreneurs also identify, reconfigure and deploy resources, but they incorrectly identify how to use resources in a manner that is consistent with the future pattern of the underlying variables of preferences and real resource constraints. When social entrepreneurs utilize embedded resources, there must be some – albeit imperfect – manner in which they judge the success and failure of attempts to initiate coordination that is in a similar sense, "correct."

Chamlee-Wright's research contains two mechanisms that help to resolve this puzzle. The first is the operation of voluntary selection and participation in the undertakings of social entrepreneurs. Social entrepreneur's primary aim is social transformation. In order to achieve their objectives, social entrepreneurs have to find ways of innovating and responding to changes in their environment in order to best achieve their goals (Chamlee-Wright and Storr 2010). The signals guiding social entrepreneurs in the independent sector include the degree to which they can secure agreement from other members of the community. Doing so is the corollary of earning profits in the market, and the voluntary participation of community members indicates to social entrepreneurs that they are leveraging socially embedded resources effectively. Voluntarism indicates that the actions of social entrepreneurs may be privately beneficial, leaving the assessment of the social desirability of these actions unanswered.

The second mechanism is the role of competition in non-priced areas of social order. Here, competition takes place on several margins. In the context of post-disaster recovery, social entrepreneurs compete with the efforts of government to supply recovery assistance. While government programs often

crowd out the efforts of the independent sector, the successes of social entrepreneurs serve to highlight the severity of government failure, as was the case in many of the narratives collected in the study of the Ninth Ward and Mary Queen of Vietnam communities.

Social entrepreneurs compete with each other to discover which combinations of mental models and general norms will yield effective coordination. Cultural tools can be tested against competing alternatives, generating a process of variation and selection. Examining aspects that may contribute to enhancing the competitive environment for cultural competition seems to be a natural extension of the cultural economy framework.

Within the extended order of institutions, markets and civil society, associations also compete with other associations, generating a survival test to establish which associations meet individuals' needs. This process of trial, error, and discovery is the only way by which the socially productive capacities of civil society may be uncovered. Without latitude for discovery and failure, it is unclear on what margins the independent sector may possess comparative advantages over governmental solutions. Perhaps it is precisely because we lack access to knowledge concerning the effectiveness of various cultural practices that social order requires a large scope for experimenting with how to leverage embedded resources.

Nevertheless, feedback in non-priced environments, even under competitive pressure, is not nearly as tight as the analogous feedback in market environments. The knowledge transmission mechanism of market pricing is unmatched in any other social method of achieving coordination among anonymous individuals dispersed over time and space. While non-price information feedback mechanisms lack the calculability so crucial to market coordination, they do provide valuable signals that steer social entrepreneurship (Chamlee-Wright and Meyers, 2008). Chamlee-Wright carefully acknowledges these differences, cautioning against "elevating the non-price social learning above market social learning" (2010: 176).

This limitation to social learning in non-priced environments suggests a related and no less complicated problem. Some of a community's socially embedded resources may be productive for overcoming particular collective action problems or severe coordination games, but may provide unproductive (or even counter-productive) in a variety of other dimensions of social life. For example, the narratives utilized by the members of the St. Bernard parish vis-à-vis the greater New Orleans population included shared views of political independence from the other communities, a common working class or "blue-collar" identity and shared stories of neglect (2010: 88). These cultural tools were effective at aiding community rebound after the Hurricane because they fostered self-help initiatives over assistance after disaster.

One could argue, however, that the same community narratives that were successful in the recovery context had also contributed to the insular nature of the community prior to Katrina and created hostility to neighboring communities. The narrative of neglect among the parishioners of St. Bernard illustrates this complication. According to the ethnographies in the book, the community of St. Bernard felt distinct from the greater New Orleans city, with residents often reporting being systematically denied resources and attention (2010: 89). As Chamlee-Wright writes, “this narrative of neglect might not be a productive social resource at all” but rather might “translate into passivity” (2010: 90). What seems to determine how productive these cultural resources are is how well they combine and complement additional socially embedded resources, e.g. the prevailing working class identity. In other words, while the narrative of neglect itself may have been unproductive, when combined with a shared identity of socio-economic status and skilled talent, these cultural tools created common views that people in “the Parish” would be systematically left out of public rebuilding efforts and that the residents were capable of physically accomplishing the tasks of rebuilding. This combination of embedded social resources enabled residents to take rebuilding efforts into their own hands and initiate a successful recovery effort.

While the particular analysis Chamlee-Wright articulates is persuasive and solidly grounded in the evidence she brings for support, the study suggests that these cultural complementarities may be unstable or unpredictable. For instance, it may be just as likely that the narrative of neglect could complement a norm of redistributive justice, whereby the cultural tools complement and reinforces unproductive rent seeking behaviors. If it is the complementarities among socially embedded resources which determine whether they are productive or not, then questions emerge as to whether particular social norms or cultural institutions are more robust than others across time and space. If so, how would one identify those if the productive capacities are heavily influenced by the supporting structure of cultural tools?

Chamlee-Wright’s analysis suggests that the structure of social capital may be more important than any single norm, mental model, or shared narrative. Such an interpretation of social capital mimics the Austrian theory of physical capital, emphasizing the heterogeneity of culture tools and multi-specific functions of particular embedded resources. As such, many of the same insights about the dangers of attempting to constructively alter this structure would seem to apply and map well with the discussions of regime uncertainty that government action inserts into the political economy dynamic. Together, these careful and detailed empirical studies demonstrate an ability to address such tensions and analyze the responsiveness of associations and social entrepreneurs to non-priced, but meaningful signaling. The results are

instructive in drawing analytical focus on how culture influences the strategies groups adopt for overcoming problems in a particular context.

Conclusion

Chamlee-Wright's contribution opens the comparative institutional discussion to include the relative assessment of the independent sector. Explanations of how social systems function ought to include analyses of how associations of civil society connect the general rules of order and individual exchange behavior. In this regard, Chamlee-Wright's contribution is both welcome and refreshing. Keynesian political economy all but exorcized civil society from explanations of how social systems function. Samuelson (1954) divided the analytical landscape into public and private organizations, where the former meant government and the latter meant the market. After Samuelson, there was no longer room in the economists' vocabulary for non-profit, non-public organizations that could supply public goods. The trajectory of economics since has left a broad gulf between the formal models of theory and the actual performance of complex adaptive social systems. Social analysis such as *The Cultural and Political Economy of Recovery* serves to reorient the direction of applied research to remedy this omission.

The studies included in the book present theorists with an opportunity to reevaluate the role of culture in social order, and renewed direction into understanding how associations of individuals overcome complex coordination problems. In addition, the rich studies of effective recovery strategies command policy makers to examine communities as grown orders with an intricate web of associations and cultural capabilities. This work highlights how it is that voluntary associations act as intermediaries between the atomistic relationships of market exchange and the collective action of the state. As such, *The Cultural and Political Economy of Recovery* is an advancement of the study of emergent order, unified by a strong Hayekian influence and a commitment to incorporating the subjective interpretations individuals operate on when navigating their environments and influencing social order.

Public confidence in the ability of the voluntary sector to overcome collective action problems is inextricably bound to theories of how social learning and coordination occurs in non-priced environments. Without a theory of how independent associations operate, the state becomes the default supplier of non-market goods and services. Chamlee-Wright's work serves as a model for how to study empirically the complex, decentralized and intricate fabric of culture and civil society, and leaves scholars with a compass of how to incorporate culture as useful tools into explanations of social learning in spontaneous orders.

Notes:

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