



Gideon Reuveni

The Bridge, the Door, and the Cultural Economy Approach to History

The following paper wishes to explore more closely the threefold conjunction between history, culture and the economy. It will start with a brief overview of different conceptualizations of the nature of this relationship suggesting that seeing the economy as a culture might provide new ways to read history. The potential of this turn to a cultural economy approach to history will then be illustrated by a discussion of some aspects of my current research on so-called Jewish economic history. But before getting to this part of the paper, I would like to begin by briefly discussing my book *Reading Germany* that came to life as a dissertation project under Moshe Zimmermann's supervision. As I realized after having completed this study, it was very much about this connection between history, culture, and the economy.



Culture versus the Economy

Originally *Reading Germany* was aimed to investigate German reading culture before 1933. This endeavor was motivated by the dominant historiographical approach which contrasts a cultured Germany – “the country of poets and philosophers” – and a barbaric Germany – “the country of judges and executors” – in order to assess Germany and its recent history. Investigating what, how, and why people read was to provide new insights into German society and to lead to a better understanding of the processes that facilitated the nazification of Germany. Relying on existing research on the history of reading, I presupposed that reading was a formative activity that shaped how people conceived their reality and made sense of their lives. Only after embarking on my research did I start to grasp the flaws of this so-called formative approach to reading. Beyond the difficulties finding sources that could provide interesting insights and solid evidence on reading habits and reading responses of nonprofessional readers, I began to doubt the feasibility of this approach to reading as a formative activity. The activity of reading emerged as complex social phenomenon, encompassing a range of cultural, political, and economic interests. Finally, I started recognizing that reading is an arena wherein an unremitting struggle is waged between





various institutions and individuals in order to shape and determine its social status and significance. Seeing reading as a complex activity that reflects power relations in society had significant implications for my work. It enabled me to recognize that the framework needed for a new approach to reading and its social context was not located in reading as an activity of encoding signs printed on paper, but in the nexus between intellectual and material culture, or, in more general terms, between culture and the economy. On a different, more self-reflective level, situating reading in the space in between culture and the economy made me realize how my own thinking was embedded in this process of semantic determinism, presupposing that reading had a unique status as “culture” and a formative activity. Consequently, I began questioning the notions of culture and the economy and was particularly intrigued by the nature of their relationship.

In terms of my own research this meant that the examination of issues surrounding the nature of books as a commodity offered an excellent opportunity to explore the changing notions regarding the relationships between culture and the economy. While some readers stressed the cultural quality of book reading, positing that books are beyond all economic or material interests, others saw books as a commodity that operated, like any other products, on the basis of supply and demand of the marketplace. Both approaches seemed to accept the view that the economy and culture are separate, if not antithetical, realms. Thus, the struggle over the nature of books as either a commercial commodity or cultural goods emerged from this normative understanding of the relationship between culture and the economy. Seeing themselves as trapped between two worlds, book traders and publishers, for example, sought ways to come to terms with what they considered as the hybrid position of their vocation. By adopting a conceptual framework which could be used to relate to books as products combining cultural and economic capital alike, they hoped to refute both economy-led and culture-led criticism of the book trade and thereby consolidate their supposed in-between position.

The most comprehensive and meticulous attempt to provide such a conceptual framework can be found in the work of Gerhard Menz, head of the School for Book Trade Studies (Seminar für Buchhandelsbetriebslehre an der Handelshochschule) in Leipzig. In his inaugural lecture of 1925, in which he discussed the nature of books, Menz maintained that the perception of books as the materialization of intellectual life could not ignore the complex nature of books as a product which combine both economic and cultural dimensions.¹ Menz

¹ Later a version of the speech was published as Gerhard Menz, *Das Buch als Ware und Wirtschaftsfaktor*, in: *Archiv für Buchgewerbe und Gebrauchsgraphik* 67 (1930), 445–459. On that speech see also Friedrich Uhlig, *Zehn Jahre Seminar für Buchhandelsbetriebslehre an der Handels-Hochschule zu Leipzig*, in: *Börsenblatt für den deutschen Buchhandel* 102 (1935), 1053–1057.





therefore drew attention to the fact that in the cultural sphere, and specifically where books were concerned, what he called the “book economy” (*Buchwirtschaft*) simultaneously constituted a “culture policy” (*Kulturpolitik*). This special situation also provided the background to Menz’s attempt to develop a unique view of the link between the economy and culture – a view which he called “*Kulturwirtschaft*” or “cultural economy.”²

This view involved something of a pragmatic approach to the issue of the relationship between culture and the economy. It acknowledged that the production and consumption of cultural goods involves economic transactions and that culture operates according to the market’s principles of supply and demand, suggesting that these activities comprise an industry and thus might be analyzed accordingly. Yet, viewing culture as an economic activity does not imply the removal of the distinction between these realms or, for that matter, the diminishing of the special position and status accorded to culture. On the contrary, according to Menz’s cultural economy idea, increasing purchasing power and stepping up the production and consumption of cultural goods should bolster the special status of culture. Menz seems to recognize that it is “cultural capital,” in the Bourdieuan sense of this term that determines the status of consumer goods. Hence one of the culture producer’s main tasks is to create demand for their goods as cultural capital, thereby increasing their economic capital as well. According to this approach, culture and the economy are treated as interrelated yet distinct domains wherein the economy is understood to sustain and promote objects and activities designated as being of cultural value.

Dealing with the debate regarding the nature of books at the beginning of the twentieth century brought the normative dimensions of the question about the nature of the relationship between culture and the economy to the forefront. It suggested that this debate is not merely about the difficulties of fixing the ontological status of each domain, but more significantly about the various meanings assigned to the terms “economy” and “culture” and how they inform our perception of the nexus between these realms. Thus, culture and the economy emerged as two powerful ideas whose continued use (or eclipse) has significant consequences for how we organize and understand the social process.

Cultural Economy

At the time that I was first coming to terms with Menz’s concept of *Kulturwirtschaft*, I was unaware that a group of some of the leading commentators on the relationship between culture and the economy from different disciplines, such as anthropology, sociology, media studies, and geography, had gathered for a

2 Gerhard Menz, *Kulturwirtschaft*, Leipzig 1933.





special workshop at the Open University in the UK to discuss what at first struck me as a very similar notion to Menz's "cultural economy."³ Both approaches seemed to reject the "binary opposition" conceptualization of the economy and culture nexus, seeing their contribution as creating a third way beyond this dualistic thinking. However, there are some significant differences between Menz's concept of *Kulturwirtschaft* from the end of the 1920s and the notion of "cultural economy" at the beginning of the new millennium.

To begin with, Menz's concept of cultural economy is much narrower than the current one. It deals with economic aspects of what today's scholars and policy-makers refer to as a "creative economy," "copyright industry" or "culture industries" (not to be confused with culture industry) – an occupational sector that includes individual artists and self-employed creative professionals, as well as the activities of nonprofit cultural organizations and commercial enterprises engaged in the applied arts.⁴ Moreover Menz's conceptualization is driven by the call to establish a positive relationship between culture and the economy. It was informed by the approach that viewed culture and the economy as two distinct yet related domains, and sought to establish a hierarchical relationship between the two realms by giving culture primacy over the economy.

The new notion of "cultural economy" as presented in the results of the workshop mentioned above, is much broader in scope and challenging in its theoretical sophistication. It emerged from what Paul du Gay and Michael Pryke, the volume's editors, describe as the "culture turn" in social sciences. This refers to both the increasing interest in the production of meaning as represented by the growing importance of culture, creativity, and knowledge in the economy since the end of the twentieth century, as well as to the growing awareness of the constitutive role of discourses.⁵ Thus instead of viewing the economy as an ontological "other" to culture, existing prior to and hence independent of the description of it, the turn to culture instigates a shifting of this perception. It suggests that the subjects and the objects of the world are constituted through the discourses used to describe them and to act upon them. Consequently for the British school of cultural economy "doing 'culture economy'" means acting on the assumption that economics are performed and enacted by the very discourses of which they are supposedly the cause."⁶

3 On this see esp. Paul du Gay/Michael Pryke (eds.), *Cultural Economy. Cultural Analysis and Commercial Life*, London 2002, but also Helmut Anheier et al. (eds.), *The Cultural Economy*, London 2002, and of course the *Journal of Cultural Economy* that is published since 2008 by Sage, London, as well.

4 For a detailed bibliography of these areas see Alan Schussman/Kieran Healy, *Culture, Creativity and the Economy. Annotated Bibliography of Selected Sources (2002)*, <<http://www.kieranhealy.org/files/drafts/creative-economy-bib.pdf>> (15 November 2011).

5 On this see the introduction chap. of du Gay/Pryke (eds.), *Cultural Economy*.

6 *Ibid.*, 6.





Exposing the allegedly discursive nature of the economy dichotomy might appear to be a reversal of the Marx-biased superstructure model that asserts exactly the opposite to this concept of “cultural economy,” namely the autonomy of the economic domain and its primacy over culture. Yet in my view, it would be misleading to read this concept of “cultural economy” simply as a return to a quasi Hegelian conceptualization of the supremacy of culture over the economy. For du Gay, Pryke and their peers in the “cultural economy” project, “cultural economy” is an analytical concept and not another normative conceptualization of the nature of the relationship between culture and the economy. Thus, the “cultural economy” approach is much more radical than earlier attempts to determine and fix the relationship between culture and the economy. It calls for the dismissal of this distinction altogether, a distinction that has dominated social scientific thought for the last two hundred years or so.

To fully appreciate this shift toward a discursive understanding of the nature of the relationship between culture and the economy, we ought briefly to look back at the history of this disjuncture. In his seminal work *Keywords. A Vocabulary of Culture and Society*, Raymond Williams explores the changing meanings of a set of pivotal term or keywords we use when we wish to discuss central processes of our common lives.⁷ There is no need to elaborate here on the shifting meanings and multifaceted uses of the term “culture,” which, according to Williams, is one of the two or three most complicated words in the English language. For Williams, it is precisely the polysemism of such terms as “culture” as well as the other so-called keywords that makes them into powerful ideas.

Interestingly, the term “economy” does not comprise a keyword in this context. It is not clear why the “economy,” until recently, seemed to escape the kind of critique that challenges so many other so-called keywords of modern social discourse. In fact the use of the term “economy” as a distinct category of social life almost seems to be beyond questioning today. Yet this use of the term as signifying the creation and management of wealth and/or as the totality of the relation of production, distribution, and consumption, is relatively new. As recently as the 1920s, the second edition of Palgrave’s *Dictionary of Political Economy* contained no special entry for the term economy. It used the word only to mean “the principle of seeking to attain, or the method of attaining, a desired end with the least possible expenditure of means.”⁸

Historians trace the emergence of the economy as a category in public discourse to the development of new concepts on human conduct and the foundations of the social body that evolved in a particular time and place – eighteenth-century Europe. Based on Albert Hirschman’s seminal discussion of the

7 Raymond Williams, *Keywords. A Vocabulary of Culture and Society*, London 1976, 12.

8 Timothy Mitchell, *Fixing the Economy*, in: *Cultural Studies* 12 (1998), no. 1, 85.





idea of an opposition between passions and interests,⁹ Susan Buck-Morss, for example, argued that acknowledging “the proposition that the exchange of goods, rather than denoting the edge of community, is capable of functioning as the fundament of collective life necessitated the discovery that within the polity such a thing as an ‘economy’ exists.”¹⁰ Thus the translation of a new language and imagery of nature into a vocabulary and set of metaphors for imagining the social body insinuate that “the discovery of the economy was also its invention.”¹¹ It was formed as a new discursive object in the context of the emergence of the nation-state and the development of new concepts of society and the relationship between people and nature.

The process of professionalization of knowledge and the development of economics as a “science” aiming to establish the “laws” that regulate market behavior enhanced the approach to the economy as a self-governing realm dominated by interest and rationality of means for the purpose of gaining profit.¹² It is thus the nineteenth century, the age of the bourgeoisie, in which culture played a constitutive role that witnessed the emergence of a distinct economic realm. Culture and the economy came to denote separate and contending realms. This led to different attempts to determine and regulate the relations between these realms. Karl Marx’s superstructure model, which explained the relationship between culture and the economy, is in this sense a salient expression of an ongoing attempt to resolve what was already by the mid-nineteenth century perceived as a clear division. Even Max Weber, who proposed examining economic developments as an offshoot of cultural practices, retains the vocabulary of “culture” and the “economy.” In the concluding section of his famous study on *The Protestant Ethic and the Spirit of Capitalism* Weber states that the modern economy, i. e. capitalism, is stripped of its original religious and ethical meaning. In what is by now one of the most quoted lines from his work, he notes that the pursuit of wealth changed from a light cloak that can be thrown aside at any moment to an iron cage.¹³

9 Albert Hirschman, *The Passions and the Interests. Political Arguments for Capitalism Before Its Triumph*, Princeton, N. J., 1977; idem, *Rival Views of Market Society and Other Recent Essays*, New York 1986.

10 Susan Buck-Morss, *Envisioning Capital. Political Economy on Display*, in: *Critical Theory* 21 (1995), 439, accessible online at <<http://tinyurl.com/4sd2ajs>> (15 November 2011).

11 Ibid. Further on this idea see also Stephen Gudeman, *Economics as Culture. Models and Metaphors of Livelihood*, London 1986, and Thomas L. Haskell/Richard F. Teichgraber (eds.), *The Culture of the Market. Historical Essays*, Cambridge et al. 1993.

12 On this line of thought see especially Jerry Z. Muller, *The Mind and the Market. Capitalism in Modern European Thought*, New York 2002.

13 Max Weber, *The Protestant Ethic and the Spirit of Capitalism*, translated by Talcott Parsons, London 1976.





This notion of the modern economy as an iron cage became even more prominent in the period between the two World Wars. Thus, for example, in his famous lecture delivered at the meeting marking the fiftieth anniversary of the Association for Social Policy (Verein für Sozialpolitik), Alfred Weber (Max's brother) identified with disquiet the process of the proletarianization of intellectual life. He described the vanishing of intellectuals who had a benefactor (*Rentenintellektuelle*) and were therefore free of economic worries, and the emergence of the working intellectuals (*Arbeitsintellektuelle*) who were forced to adapt to the forces of the marketplace.¹⁴ This shift was for Weber indicative of the move from an era in which culture was able to remain apart from all economic and commercial considerations to a period in which the economy governed everything.

This so-called economization process took many forms. For example, economic vocabulary penetrated everyday discourse in almost all major European languages.¹⁵ Terms like division of labor, inflation, or unemployment suddenly became critical social problems affecting the daily lives of millions of people. The stock exchange turned into the barometer of social life.¹⁶ Paradoxically, the failure and in some instances even the collapse of economic arrangements facilitated the creation of the economy as a new discursive object governing social life.

This process was sustained and enhanced by the emergence of the ideological states at the period between the wars. Liberal democracy, fascism, and communism made the economy into a central interpretive category of human conduct and a vehicle for reform and management of society. In this period Frederick Winslow Taylor's ideas of scientific management took hold, and John Maynard Keynes developed his work *The General Theory of Employment, Interest and Money* advocating interventionist government policy to mitigate the adverse effects of economic development.¹⁷ In the interwar period, econometrics was developed, that is, the attempt to create a mathematical representation of economic processes as a self-contained and dynamic mechanism.¹⁸

But it was only after the World War II that the economy became the principal category of social life and economics the most attractive and for that matter most "scientific" discipline outside the exact sciences. The Cold War contributed

14 Alfred Weber, *Die Not der geistigen Arbeit*, Munich 1923.

15 Generally on this development see, for example, Catherine Gallagher, *The Body Economic. Life, Death, and Sensation in Political Economy and the Victorian Novel*, Princeton, N. J., 2006; Joseph Vogl, *Kalkül und Leidenschaft. Poetik des ökonomischen Menschen*, Zürich 2004.

16 On this see, for example, Bernd Widdig, *Culture and Inflation in Weimar Germany*, Los Angeles, Calif., 2001.

17 Brendan Sheehan, *Understanding Keynes' General Theory*, Basingstoke 2009.

18 More generally on this process of the scientification of economics see Philip Mirowski, *Against Mechanism. Protecting Economics from Science*, Totowa, N. J., 1988.





significantly to this development. Economic expansion became synonymous not only with national interests, but also with a whole way of life.

Intellectuals of different political affiliations seemed to share the uneasiness concerning the growing significance of the economy. Assuming a normative and dualistic approach to the nexus between culture and the economy, many of them pointed to the devastating effects of the economy on culture. Perhaps the most renowned reproach of the economization process was launched by the Frankfurt School of Critical Theory. In their seminal work *Dialectic of Enlightenment* Max Horkheimer and Theodor W. Adorno, for example, introduced the notion of a “culture Industry” as a devastating process of leveling designed to manipulate the masses to conformity through mass production and consumption of popular culture. According to Adorno and Horkheimer “the idea of ‘fully exploiting’ available technical resources and the facilities for aesthetic mass consumption is part of the economic system which refuses to exploit resources to abolish hunger.”¹⁹

A more refined and for that matter radical assault on the economization process can be found in the more recent work of the late French philosopher and social critic Jean Baudrillard. Today, Baudrillard observes, capital does not only have to produce goods assuming that consumption will run by itself, “it is [also] necessary to produce consumers [...] [and] demand.”²⁰ According to Baudrillard, the breakdown of the seemingly logical relationship between production and consumption is an upshot of the overproduction of meaning, creating a new order “which is no longer that of either production, or consumption, but that of the simulation of both.”²¹ For Baudrillard, this shift towards the production of demand represents the beginning of a new “postmodern” era in which it is “the principle of simulation, and not of reality, that regulate social life.”²²

It is, however, precisely this sense of the blurring the boundaries between culture and the economy that gave rise to a more novel claim that economic life is becoming “culturalized.” Best substantiated in Lash and Urry’s 1994 *Economics of Signs and Space*, the culturalization thesis represents an epochal claim about the relationship between culture and the economy arguing that “Economic and symbolic processes are more than ever interlaced and interarticulated.”²³ The growing significance of aesthetics, lifestyle and post materialistic values (for example environmentalism or the organic and health food movements) as an economic factor, the increasing importance of nonquantifiable elements such as emotions and morals in business management, and the ongoing

19 Max Horkheimer/Theodor W. Adorno, *Dialectic of Enlightenment*, New York 1972, 113.

20 Jean Baudrillard, *In the Shadow of Silent Majority*, New York 1983, 27.

21 *Ibid.*, 52.

22 Jean Baudrillard, *Selected Writings*, Stanford, Calif., 2001, 123.

23 Scott Lash/John Urry, *Economies of Signs and Space*, London 1994, 64.





growth of so-called copyright and knowledge industries are only a few of the indicators that Lash and Urry's use to validate their culturalization thesis. Based on this analysis theorist, Georg Franck introduced the notion of "mental capitalism" or the "idea-economy." He wrote:

"Imagine how the old [Marxist] warriors would rub their eyes if they saw what has happened to the old relationship between basis and superstructure! According to materialist doctrine, the mental superstructure is only a dependent reflex of the material production conditions. This doctrine claimed to have put the idealist worldview, which had been standing on its head, back on its feet. But what are those conditions doing now? They are standing on their head out of their own accord. Idea-economy has taken the lead."²⁴

To be sure, the culturalization thesis shuns any normative judgments on the relations between economy and culture. Yet by asserting the increasing importance of culture in economic life, it upholds the dualism between culture and the economy. This is exactly where the cultural economy approach departs from this version of the culturalization thesis. As explained above, cultural economy is enacted as a post-structuralist form of analysis displaying the economy as a cultural site, and thus refuting the culture-economy dichotomy altogether.

What the economization of culture view has in common with the more recent approaches that point to a culturalization process of the economy, is that both seem to share the temporal disjuncture according to which we are now living in a time characterized by a radically different relationship between culture and the economy than in the past. For historians, however, this notion that economic activities are immersed in or, as Karl Polanyi noted, are embedded in normative institutional frameworks and culture practices should not be a novel claim.²⁵ In fact, historians like E. P. Thompson and Fernand Braudel already noted sometime ago that the economy becomes a historical force only as it is encoded in culture and interpreted in experience.²⁶

But before we can continue exploring how this approach could further historical research, we should not shun from discussing the problems involved in this approach. Attractive as this notion of cultural economy may be, at this stage, at least, it still seems much too abstract and elusive. Even more problem-

24 Georg Franck, *Mentaler Kapitalismus. Eine politische Ökonomie des Geistes*, Munich 2005; idem, *Ökonomie der Aufmerksamkeit. Ein Entwurf*, Munich 2007. The quotation is from Georg Franck, *The Economy of Attention*, accessible online at <<http://www.t0.or.at/franck/gfeconom.htm>> (15 November 2011).

25 Karl Polanyi, *The Great Transformation*, New York 1944.

26 On this see Richard Bieranacki, *Method and Metaphor after the New Cultural History*, in: Victoria E. Bonnell/Lynn Hunt (eds.), *Beyond the Cultural Turn*, Berkeley, Calif., 1999, 62–92, here 65f. See also Peter Temin, *Is it Kosher to talk about Culture?*, in: *The Journal of Economic History* 57 (1997), no. 2, 267–287.





atic for historians is the very attempt to diminish altogether the division between culture and the economy as two distinct realms. It seems that by abolishing this distinction we are risking an important principle of our knowledge, through which we organize and exert a sense of control over our world at least since the Enlightenment.²⁷ This last point finally points at the awkward title of this paper, which is based on Georg Simmel's essay *Brücke und Tür* (engl.: The Bridge and the Door).²⁸

According to Simmel, we are beings who separate what is related and who relate what is separate. The bridge and the door are salient manifestations of this human inclination. The bridge, Simmel observes, connects what is otherwise separate. The door, on the other hand, separates what is otherwise fused. By so doing, Simmel notes, a space is unified in itself though separated from the rest of the world. Yet the essence of the door is in its capacity to open and thereby create a link between the human space and everything that is outside.²⁹

With these observations Simmel provides us a useful way to think about the different conceptualizations we discussed above, which to a large degree appear to operate as bridges and as doors – i. e. connecting what otherwise seems separate, and separating what is otherwise unified. Yet, the bridge and the door are more than merely a descriptive principle of our cognition. According to Simmel “things must be separated in order to be together.”³⁰ To wit, instead of imposing general analytical distinctions or, on the other hand, dismissing binary oppositions we might as well acknowledge that by thinking about culture and the economy, we cannot escape building bridges and placing doors. This does not imply that these notions are mere constructions detached from the “real world,” but rather suggests that we should be more receptive to how these distinctions operate and constantly negotiate the boundaries between these realms.³¹ History offers an excellent venue for such an endeavor.³² This can be illustrated by the following brief discussion of the conjunction between culture, the economy and Jewish history as they relate to four key concepts – trust, risk, circulation, and identity.

27 Gavin Jack, *After Cultural Economy*, in: *Ephemera* 2 (2002), no. 3., 263–275.

28 Georg Simmel, *Brücke und Tür*, in: *Der Tag. Moderne illustrierte Zeitung*, no. 683, Morgenblatt, 15 September 1909.

29 Michael Kaern, *George Simmel's The Bridge and The Door*, in: *Qualitative Sociology* 17 (1994), no. 4, 397–412.

30 *Ibid.*, 408.

31 Noel Castree, *Economy and Culture are Dead! Long Live Economy and Culture!*, in: *Progress in Human Geography* 28 (2004), no. 2, 204–226.

32 On this see also the introduction to Hartmut Berghoff/Jacob Vogel (eds.), *Wirtschaftsgeschichte als Kulturgeschichte. Dimensionen eines Perspektivenwechsels*, Frankfurt a. M. 2004.





The Economy in Jewish History

The general image of the Jews is overloaded with tropes and motifs taken from the sphere of economics. Yet, despite the centrality of economics to Jewish life and to the image of Jews and Judaism in modern times, Jewish historiography has generally tended to highlight religious, cultural, and political aspects of the Jewish past more intensively than its economic features. In recent years, we have witnessed a slow but steady change in the approach to the economy in Jewish studies.³³ This new interest in Jewish economic history seems to correspond to the more general developments discussed above. The potential of a cultural approach to the economy in the context of Jewish history is evident. Let us take as an example the issue of trust, no doubt one of the basic forms of social life and indeed a vital presupposition for the success of activities in the economic realm.³⁴ Was it simply utilitarian economic parameters or were confessional and particular ethnic affiliations definitive for the trusting interactions between business people of the same or different faiths and backgrounds? This question is to a large degree still unaddressed by historians of Jewish history. Within this context, the problem of access to credit is a source of exciting questions. Thus, for example, the availability of credit in the towns of the early modern period was tied to membership in particular corporations. Central to the honor of the merchants in the estate society was the concept of the “merchant’s credit,” not just in the modern sense of creditworthiness, but also representing an estate-based reputation. A person’s creditworthiness was closely identified with his trustworthiness. It is well known that Jews could not be members of guilds. To what extent and in which forms they were participants in this network of trust and confidence remains to be researched in more detail. Based on our knowledge today, it appears that since the Jews were bound into the estate system as a quasi-independent estate, their creditworthiness as well as their economic transactions in general were identified with their identity as Jews. This, however, does not seem to be a peculiarity of the pre-modern period. There is evidence that suggests, as Hannah Arendt propounds, that even into the nineteenth century, Jewish business people were compelled to remain Jewish to access inheritances.

Closely associated with the complex of issues surrounding trust is the question of the readiness of economic agents to take on risk. Jews are commonly associated with trade and finance and regarded as particularly willing to take economic risks even in dodgy businesses. Perhaps the most profound ex-

33 Jonathan Karp, An “Economic Turn” in Jewish Studies, in: *AJS Perspectives. The Magazine of the Association for Jewish Studies* (Fall 2009), 8–13.

34 On the notion of trust in the economy: Tanja Ripperger, *Ökonomik des Vertrauens*, Tübingen 1998; Ute Frevert (ed.), *Vertrauen. Historische Annäherungen*, Göttingen 2003.





pression of this view regarding the allegedly special Jewish inclination to take risks can be found in Max Weber's idea of "adventure" or "pariah capitalism," which he developed as a rejoinder to Werner Sombart's work on Jews and modern capitalism.³⁵ First published in 1911, Sombart presented his so-called *Judenbuch* as a direct development of Weber's earlier famous study *The Protestant Ethic and the Spirit of Capitalism*. Yet while Sombart essentially accepted Weber's approach to the religious sources of modern capitalism, he claimed that everything Weber had ascribed to Puritanism was actually rooted in and more intensively practiced by the Jews. Sombart identified the Jews themselves, as opposed to Jewish culture or religion, as the originators and powerhouse of modern capitalism because of their alleged anthropological (racial) and physiological tendencies.³⁶ Interestingly, Weber set out to defend his thesis not by refuting Sombart's stereotypical depiction of the Jewish economic nature, which he conspicuously accepted as given, but by reproaching Sombart's concept of capitalism. According to Weber, what distinguishes modern capitalism from its earlier forms is the shift from the mere pursuit of profit that characterized pre-modern forms of capitalism, to a system that seeks to increase investment by a disciplined organization of labor and rationalization of production.³⁷ Thus, based on Sombart's characterisation of the special "Jewish" form of capitalism, Weber propounds: "The Jews stood on the side of the politically and speculatively oriented adventurous capitalism."³⁸ Unlike Puritanism, which, according to his analysis, "carried the ethos of the rational organization of capital and labour,"³⁹ Jewish economic ethos, Weber argues, was motivated by purely acquisitive instincts, and thus was traditional and not modern.

Weber explains this special nature of Jewish economic activities in the context of the social position of the Jews as a "guest" or "pariah people." Thus,

35 On Sombart and Max Weber see, for example, Arthur Mitzman, *Sociology and Estrangement. Three Sociologists of Imperial Germany*, New York 1973; Freddy Raphael, *Judaisme et capitalisme. Essai sur la controverse entre Max Weber et Werner Sombart*, Paris 1982; Avraham Barkai, *Judentum, Juden und Kapitalismus. Ökonomische Vorstellungen von Max Weber und Werner Sombart*, in: *Menora* 5 (1994), 25–38; Colin Loader, *Puritans and Jews. Weber, Sombart and the Transvaluators of Modern Society*, in: *Canadian Journal of Sociology* 26 (2001), no. 4, 635–653.

36 Moshe Zimmermann, *The Man who Preceded Sombart – Ludolf Holst*, in: Nachum Gross (ed.), *Jews in Economic Life*, Jerusalem 1985, 245–256.

37 Gary A. Abraham, *Max Weber and the Jewish Question. A Study of the Social Outlook of his Sociology*, Urbana, Ill., 1992, esp. chap. 8. For a different view see Jack Barbalet, *Max Weber on Judaism. An Insight into the Methodology of The Protestant Ethic and the Spirit of Capitalism*, *Max Weber Studies* 6 (2006), no. 1, 51–67.

38 Weber, *The Protestant Ethic and the Spirit of Capitalism*, 165.

39 *Ibid.*





according to this approach, the inferior positioning of Jews in society as an outsider minority group compelled Jews to take more risks in business than the dominant majority in society. This interpretation emphasizes Jewish difference and marginalization as the basis for what appears as a Jewish inclination to take risks. As interesting as these observations are, they are not grounded in historical research. In fact we still know very little about Jewish business ventures or about peoples' perceptions of risk. Moreover, according to Mary Douglas and Aaron Wildavsky's classic study *Risk and Culture*, the willingness to take on risk and the fear of risk are aspects of what they regard as a continuing "dialog on how best to organize social relations."⁴⁰ From this perspective, risk is understood as "a joint product of knowledge about the future and consent about the most desired prospects."⁴¹ This implies that if indeed Jews were more inclined to take economic risks and that they were aware of the hazards of these ventures, they were much more embedded in the economic and social system than previously assumed by scholars like Max Weber.

This last point gives rise to a further central concept that might be instrumental for the analysis of the conjunction of culture, the economy and Jewish history – i. e. circulation. The idea of circulation extends far beyond the boundaries of the mere exchange or flow of goods and money. Michel Foucault's renowned *Archaeology of Knowledge* has already established evidence of circulation as a fundamental category of early modern science.⁴² The focus here was the interdisciplinary discourse on the interchangeable relationship particularly between medicine and economics. In order to broaden the field of investigation to include social relationships and processes, Stephen Greenblatt's formulation of the "circulation of social energy" offers a stimulation framework to expand this analysis beyond the archaeology of Western knowledge.⁴³ This methodical approach is based on the supposition that the breakdown of culture and society occurs in different subsections between which a continuous "negotiation" and "exchange" takes place. Through the application of such methods, one is able to create new perspectives on social interconnections, the formation of identities, as well as the relationships between economics and culture. What is important to emphasize for our discussion here is that beyond the question of the form and degree of Jewish participation in this circulation process of so-called social energy, another no less fascinating aspect of this story is the correlation between

40 Mary Douglas/Aaron Wildavsky, *Risk and Culture. An Essay on the Selection of Technological and Environmental Dangers*, Berkeley, Calif., 1983, 68.

41 *Ibid.*, 69.

42 Further on this see Harald Schmidt/Marcus Sandl (eds.), *Gedächtnis und Zirkulation. Der Diskurs des Kreislaufs im 18. und frühen 19. Jahrhundert*, Göttingen 2002.

43 Stephen Greenblatt, *Shakespearean Negotiations. The Circulation of Social Energy in Renaissance England*, Berkeley, Calif., 1988.





such notions of circulation and the images of the intermediary and Wandering Jew.⁴⁴

The above somewhat rudimentary discussion of trust, risk, and circulation suggest that closely associated with the complex of issues surrounding culture, the economy and Jewish history is the question of group identity. Based on Marx's remark that "Judaism continues to exist not in spite of history, but owing to history,"⁴⁵ it was initially Marxist scholars who pointed to the connection between economic activity and Jewish identity. In an essay from 1890, the Marxist theoretician Karl Kautsky, for instance, noted that in the premodern period, "to be a Jew meant not only to be a member of a particular nation, but also of a particular profession."⁴⁶ This notion of a "people-class" was enhanced and further developed by scholars such as Ber Borochov and later Abram Leon in his famous study on the Jewish Question, written in 1940.⁴⁷ The significance of this theory does not merely lie in the association between Jews and certain professions, but in the finding that Jewish identity and survival is embedded in the economic and social system.

Yet a more prevailing approach today allocates the multifaceted interaction between the economy and Jewish identity to the minority status of the Jews. This is, for example, how the prominent economist Simon Kuznets explains Jewish economic distinctiveness in his influential study *Economic Structure and Life of the Jews*.⁴⁸ Kuznets's groundbreaking work put the question of the "normalization" of Jewish economic life, which had played a central role in the history of European Jewry since the eighteenth century, in a new light and emphasized the importance of economics as fundamental to the development and perpetuation of group identity. More recently, Derek Penslar has taken up and further developed this idea.⁴⁹ For him, the connection between group identity and economics is beyond question. This relationship applies to all minorities,

44 For an illuminating discussion on this see Kirill Postoutenko, *Wandering as Circulation. Dostoevsky and Marx on the "Jewish Question,"* in: Gideon Reuveni/Sarah Wobick-Segev (eds.), *The Economy in Jewish History. New Perspectives on the Interrelationship between Ethnicity and Economic Life*, New York 2011; Galit Hasan-Rokem, *Contemporary Perspectives of Tradition. Moving on with The Wandering Jew*, in: Nicolas Berg et al. (eds.), *Konstellationen. Über Geschichte, Erfahrung und Erkenntnis. Festschrift für Dan Diner zum 65. Geburtstag*, Göttingen/Oakville, Conn., 309–331.

45 Karl Marx, *The Jewish Question*, accessible online at <<http://www.marxists.org/archive/marx/works/1844/jewish-question/>> (15 November 2011).

46 Cited in Nathan Weinstock's introduction to Abraham Leon, *The Jewish Question. A Marxist Interpretation*, New York 1970, 38.

47 Leon, *The Jewish Question*.

48 Simon Kuznet, *Economic Structure and Life of the Jews*, in: Louis Finkelstein (ed.), *The Jews. Their History, Culture and Religion*, New York 1960, 1597–1666.

49 Derek J. Penslar, *Shylock's Children. Economics and Jewish Identity in Modern Europe*, Berkeley, Calif., 2001.





but especially to the Jews, whose concentration in particular economic sectors in the face of rampant modernization and secularization since the eighteenth century provided a structural firewall against the loss of collective identity. Given this analysis, Penslar considers the blurring of contemporary North American Jewry's economic distinctiveness as one of the major challenges facing modern Jewish identity.⁵⁰ These concerns call to mind similar apprehensions regarding the fate of German Jews in the Weimar years. Notwithstanding the rise of National Socialism, in the late 1920s, some prominent Jewish social scientists had already expressed serious doubt as to whether German Jewry could retain its sense of communal identity after inflation and depression practically destroyed its distinctive social and economic fabric.⁵¹

If indeed the economy plays such a defining role in upholding Jewish distinctiveness and a sense of belonging, how, if at all, can "Jewish economy" illuminate economic life in general? This is another exciting question that future research will need to come to terms with. It seems then that the conjunction between culture, the economy, and Jewish history opens new and to a large extent still unexplored terrains for historical study.



50 In this context Penslar cites Edna Bonacich and John Modell's study on the economic basis of ethnic solidarity claiming that "when minorities become like majority economically, it is difficult to preserve their distinctiveness." Penslar, *Shylock's Children*, 261.

51 On this see esp. Alfred Marcus, *Die wirtschaftliche Krise des deutschen Juden. Eine soziologische Untersuchung*, Berlin 1931; Jacob Lestschinsky, *Das wirtschaftliche Schicksal des deutschen Judentums. Aufstieg, Wandlung, Krise, Ausblick*, Berlin 1932. More generally on this discourse see Donald L. Niewyk, *The Impact of Inflation and Depression on German Jews*, in: *Leo Baeck Institute Yearbook* 28 (1983), 19–36; Martin Liepach, *Das Krisenbewusstsein des jüdischen Bürgertums in den Goldenen Zwanzigern*, in: Andreas Gotzmann/Rainer Liedtke/Till van Rahden (eds.), *Juden, Bürger, Deutsche. Zur Geschichte von Vielfalt und Differenz 1800–1933*, Tübingen 2001, 395–418; Moshe Zimmermann, *Die deutschen Juden 1914–1945*, Munich 1997.

