

# THE ECONOMY OF HOPE

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## CHAPTER 1

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### A Sociological Approach to Hope in the Economy

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The main aim of this chapter is to confront two topics with one another that are usually kept apart: hope and the economy. Since I am a sociologist, I will try to do this from a sociological perspective, that is, with an eye toward society and the way that it influences things. I will first say something about the way that sociologists have looked at hope, and then suggest a way in which one can approach the role of hope in the economy from a sociological perspective.

#### Sociologists on Hope

Sociologists have paid very little attention to hope, and what they have said is fragmentary in nature. It would seem that the classics were more interested in hope than modern sociologists have been, even if it never was at the center of their attention. It is also clear that sociologists have mostly seen hope in an empirical rather than a normative way.

Take, for example, the analysis of hope that can be found in the work of Alexis de Tocqueville. There is, first of all, the theory of the so-called Tocqueville effect, which is derived from Tocqueville's study in *The Old Regime and the Revolution* ([1856] 1998). The Tocqueville effect refers to the fact that toward the end of the eighteenth century some reforms were carried out in France, and it was precisely in the areas where these were the most successful that the revolution received the most support from the population. The

reason for this, Tocqueville suggests, is that when things improve, people's hope that things can get better is awakened (236).

Hope also plays an empirical role in Tocqueville's class analysis. One effect of the increasing leveling of society, according to *Democracy in America*, is that people begin to hope for material things that they never even thought of in the old class society. The poor in the United States, Tocqueville noted on his trip to this country in 1831–32, had a “hope and longing” for the things that the rich were consuming (Tocqueville 2004: 618). Democracy breaks down the barriers between people, and this allows hope to be awakened and extend in new directions.

Another example of hope and class in Tocqueville's work is the following. One of the major reasons that France had a violent revolution but England did not, Tocqueville argues, has to do with the way that their respective aristocracies acted. The English aristocracy held out the promise that a few successful individuals one day could join its ranks, while the French aristocracy did not—with resentment and hatred toward the French aristocracy emerging as a result. The point was not so much whether people actually did join the aristocracy, Tocqueville says, but that they felt that the chance was there—the *hope* (see, e.g., Tocqueville 1862: 221).

While Tocqueville was an observer that posterity has labeled a sociologist, Max Weber was a professional sociologist. And just as with Tocqueville, one can only find scattered references to hope in his work. These scattered references are typically empirical rather than normative. An entrepreneur, to mention one example, has the “hope” to make more money than he would if he just left the money in the bank (Weber 1946: 97).

The two areas in his work where Weber uses the idea of hope the most frequently are in his political sociology and in his sociology of religion. Weber especially refers to hope when he speaks of the early working-class movement, which was inspired by Karl Marx. *The Communist Manifesto*, he says, is suffused with hope, just as hope underpins Marx's idea that socialism will one day come into being through the collapse of capitalism (Weber 1994: 288, 294).

Weber also refers to hope in his discussion of the attitude of the poor to religion; and here he says that hope constitutes a “robust motive” (Weber 1946: 79). What motivates those who are “negatively privileged” in their attitude to religion is “hope for salvation” and “hope for compensation” (see Weber 1946: 273; 1978: 172). Charismatic leaders may also channel the hope of people and tend to appear in situations of despair.

Emile Durkheim was much more interested in the general phenomenon of hope than either Weber or Tocqueville, and he also addressed it in an original and speculative manner. The place where he does this is primarily in *The Division of Labor in Society* ([1893] 1984), more precisely in his discussion of the role of happiness in the evolution of society (cf. Neves 2003). Durkheim firmly resists the utilitarians' idea that happiness represents the goal of mankind and that one can find an increase of happiness in recent history. On the contrary, he says, many countries experienced an important increase in suicide during the nineteenth century. Nonetheless, there is plenty of hope around, and room for a reasoned optimism.

What especially makes Durkheim's argument interesting for the perspective in this chapter is how he accounts for the origin of hope. Hope can in principle be seen as either a biological product or a social product. Durkheim leans toward the latter alternative, but he does so in a normative way. He suggests that the reason why people can feel hope and be hopeful is that they have good reasons for believing that things will turn out well in the end. The central passage in *The Division of Labor in Society* reads as follows:

[Hope] has not miraculously fallen from heaven into our hearts, but must have, like all the sentiments, been formed under the influence of the facts. Thus if men have learnt to hope, if under the blows of misfortune they have grown accustomed to turn their gaze towards the future and to expect from it compensation for their present suffering, it is because they have perceived that such compensation occurred frequently, that the human organism was both too flexible and too resisting to be easily brought down, that the moments when misfortune gained the day were exceptional and that generally the balance ended up by being re-established. (Durkheim [1893] 1984: 190)

Is it then hope that stops people from committing suicide? Durkheim hesitates to answer yes, even if he does not rule out the possibility that there is a link between the instinct of self-preservation and hope. He writes, “Consequently, whatever the role of hope in the genesis of the instinct of self-preservation, that instinct is a convincing testimony to the relative goodness of life. For the same reason, where that instinct loses its power or generality we may be sure that life itself loses its attractiveness, that misfortune increases, either because the causes of suffering multiply or because the capacity for resistance on the part of the individual diminishes” (ibid.).

Just like classical sociology, modern sociology is incomplete and fragmentary in its analysis of hope (see, e.g., Berger 1969; Desroche 1979; Caspar 1981). And just like classical sociology, modern sociology seems to prefer to discuss concepts that are in some way related to the concept of hope, rather than hope itself—such as trust, expectations, aspirations, drive, and the like. This is also true for the growing branch called the sociology of emotions, which sometimes touches on hope but prefers to focus on the major and more important emotions (see, e.g., Barbalet 1998: 150).

An interesting and rare attempt to turn hope into a useful empirical concept can be found in a lecture by Ralf Dahrendorf entitled “Inequality, Hope, and Progress” (1976). The author begins by making a sharp distinction between “utopian hope” and “realistic hope.” The former he describes by pointing to the early writings by Marx, Herbert Marcuse’s notion of a multidimensional man, and Jürgen Habermas’s project of human communication. “Realistic hope,” in contrast, refers to what is concrete and possible to achieve. Dahrendorf also calls it “effective hope.” His main thesis is that social inequality serves as an important incentive for people to better their condition by awakening a realistic or effective hope in them.

From the perspective of hope and the economy, Dahrendorf’s enumeration of situations in which hope plays an important role in energizing people into action is of interest. “Hope . . . based on experience,” he says, can be awakened by “the villa one has seen on a Sunday morning walk, the television film about skiing holidays, or even about the rich man’s trip to Monte Carlo, the advertisement of a new sports-car” (1976: 14). He continues, “Such hope motivates people to change their conditions, or their lives, in a variety of ways. It may be a stimulus for the individual to move, either geographically, or in the scales of social status. It may be a challenge for solitary action, in associations, trade unions, political groups, in order to gain shorter working hours for all members. It may be international action, the demand for more voting rights in the International Monetary Fund, or membership in OECD” (ibid.).

The reason why realistic hope is also effective hope is that it constitutes a very practical kind of hope, ready to be translated into reality: “In all cases such hope is coupled with demands for change which are capable of implementation, specific demands, promotion or a salary increase, the forty-eight-hour or forty-hour week, new uses for special drawing rights, and the like. Whether every change brought about under social conditions in which action is sparked off by realistic hope is progress, may be open to

doubt; but if there is to be any progress at all, such hope is one of its ingredients” (ibid.).

While Dahrendorf in his discussion of realistic hope comes very close to supplying the reader with an operational definition of hope, no such definition is actually given. One of our colleagues, however, who heard about our interest in hope and the economy, has kindly made an attempt in this direction, and we offer it as part of this discussion of hope as a social science concept. Hans Zetterberg, a well-known expert on survey research, wrote to us apropos hope that he very much would like to have the following question asked on an annual basis in countries all over the world: “Do you think that the children who are growing up today will have it better or worse than you have it, when they are your age?” (Zetterberg 2005). Perhaps this can be labeled projected hope or, better, hope for others.

Zetterberg’s approach to hope—survey research in which you ask someone to compare the situation today to that of tomorrow—also points to a whole genre of existing research. To cite one example among many: the surveys on “optimism” and “pessimism” by Gallup International. This organization typically carries out research in fifty to sixty countries simultaneously, and tries to establish if their inhabitants are optimistic or pessimistic. This is measured with the help of questions on the theme of “Do you think next year will be better than this year?” There are also questions that attempt to look at the economic dimensions of this theme, such as the economic prospect in general, whether unemployment will increase, and the like (see, e.g., Gallup International 2005).

This type of research leads in a natural way to the question of whether there exists a relationship between the idea of hope in the economy and surveys of consumer confidence. These surveys are very common in contemporary society, where they are closely followed by politicians and business people. Surveys of consumer confidence trace their origin to the pioneering work of George Katona, in particular his Index of Consumer Sentiment from 1952. The two most cited surveys of consumer confidence in the United States today are the Consumer Confidence Index (produced by the Conference Board) and the Index of Consumer Sentiment (produced at the University of Michigan). The questions that are asked in this type of survey include the following: “Looking ahead, do you think a year from now you (and your family living there) will be better off financially, worse off or just about the same as now?” and “Turning to business conditions in the country as a whole, do you think that during the next 12 months we’ll have good times

financially or bad times or what?" (Weiss 2003). Results from surveys of consumer confidence indicate that young people have more confidence in the future than old people, and well-off people more than poor people.

The notion of consumer confidence overlaps to some extent with that of hope, but there also exist significant differences between the two. The most important of these is that while surveys of consumer confidence are interested in establishing what will happen, hope is more about what one wants or wishes to happen. It is true that what will happen and what one wants to happen may coincide. But even when this is the case, there is a complexity to the notion of hope that goes well beyond the standard measure of consumer confidence.

What so far represents the most impressive and important attempt to approach the topic of hope through survey research has been made at the Institute of Social Science at the University of Tokyo, in connection with the project of Hope Studies (2005–). The background to this research is the sense that has arisen in the past few years among people in Japan that the country lacks hope; hence the interest among some of its social scientists in this topic.

The main survey by this institute, undertaken in 2006, found that the majority of the country's population (roughly 80 percent) had hope and that the majority of these (some 60 percent) also believed that they would be able to realize this hope within a reasonable amount of time (Genda 2007). People, it turned out, hoped for different things; for males, hope was typically attached to work. Not only individuals but also households were researched, and wealthy households had more hope than poor households.

Yuji Genda—the main researcher behind this work—concludes that the data does not allow one to determine if hope has actually declined or increased in Japan. Since Japanese society, however, has increasing numbers of old people, more unemployment, and certain other features, and since these factors have been shown to be associated with low levels of hope, Japan may very well be heading in the direction of less hope.

To fully evaluate the situation in Japan, it can be added, one would also need comparative data, something that does not seem to exist today. While the Gallup International survey of 2005 uses very different questions from those that were used in Japan, one of its findings should nonetheless be mentioned: the level of optimism varied quite a bit between regions as well as between countries (31 percent and 26 percent, respectively). Does hope, one wonders, vary in a similar way?

One also wonders what the results would have been in Japan if qualitative research methods had been used, such as in-depth interviews, partici-

pant observation, and the like. Would these be able to answer some questions that are hard to get at with survey research? Would they, for example, validate the approach of someone like sociologist Zygmund Bauman? According to Bauman, one can find hope in many situations where people have no objective reason whatsoever to be hopeful: "Hope is stronger than all imaginable 'testimony of reality.'" "Hope needs no proof," he also says. "Hope is valid and real even if groundless" (Bauman 2004: 67). In brief, the relationship of hope to empirical reality is complex and raises questions that may require many different types of methods to explore.

### A Suggestion for How to Study the Role of Hope in the Economy

Given the absence of a concept of hope that can be easily used for empirical sociological work, I will now try to provide such a concept. In doing so, I will start from the view of hope as *the wish for something to come true*.

There are several elements to this description or definition that need to be discussed, but for the moment their unity and overall meaning should be stressed. When one has hope, one does not wish for something abstract, but for something precise. One also wants this wish for this something precise to be realized. Whether it ultimately can or will be realized is not known, but this does not stop the actor from hoping that it will. Hope, in short, is characterized by a certain type of uncertainty, but not because it cannot be calculated (Frank Knight's type of uncertainty). The reason is that the actor is not interested in calculating the uncertainty.

There are three distinct elements to the description of hope that has just been presented, and each of them deserves attention: (1) *the wish* (2) *for something* (3) *to come true* (see Fig. 1.1). That hope can be called a *wish* reminds us of the fact that while hope is not regarded as a sentiment, it is often seen as being close to a sentiment. Its cognitive element is low, even if not absent. One *feels* hope, and one is usually also aware of its existence. Whether there is a biological dimension to hope, as there is to emotions, is hard to say. Anthropological data indicates that hope can be found in most cultures—but that is all.

That hope is hope *for* something means that hope typically does not exist by itself, but rather attaches itself to something else. This gives it a certain elusive and secondary quality that may also help to explain why hope has not

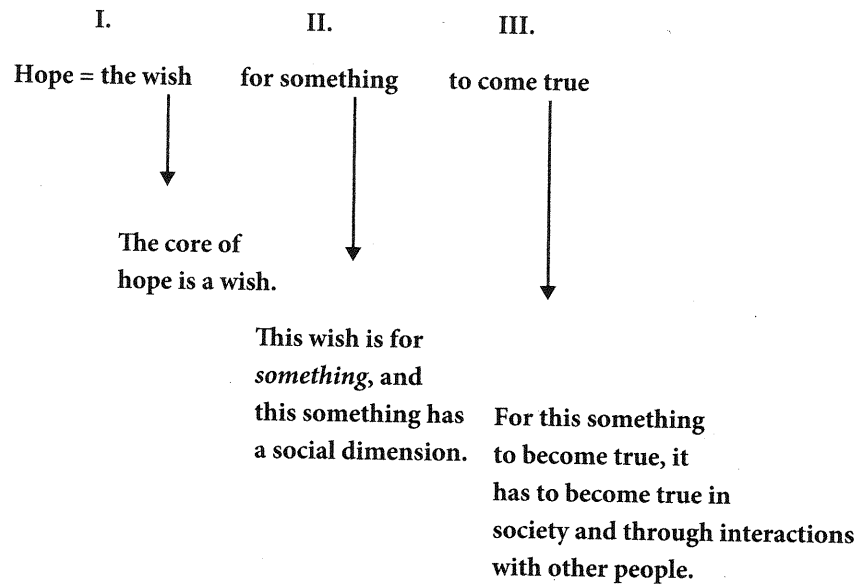


Figure 1.1. Hope and its links to society. It is important to look at hope in a way that allows the social science perspective to be applied to it.

attracted as much attention as related phenomena that, so to speak, stand on their own legs, such as fear, anger, or shame.

While it may or may not be the case that the core of hope is social (we do not know), it does get linked to the social element through its attachment to *something special*. In one type of society (or group), one can hope for items *a, b, and c*, and in another for *d, e, and f*. The social sciences, in other words, can be brought into the analysis of hope at precisely this point.

The third and last element of hope is that it includes the wish for something *to come true*. This means, for one thing, that hope has a goal to which it points. The formulation I have used is “to come true” rather than “to be realized,” since hope does not have the direct and instrumental quality of the latter expression. Hope, it can be added, is always rooted in a person. It can remain in the person or it can reach out from the person toward reality. This remains true, whether hope has become a common good or not.

In the case that hope reaches out into the world, outside the person, there is another opening for the social sciences, because *something* can usually not become true unless there is assistance or acceptance from other

people. If one's environment, for example, is very positive to something, there is more of a chance that this something will be hoped for, and that it will become true.

It would also seem that certain types of hope and ways to realize it may become so ingrained or characteristic for certain groups and societies that they qualify as *social facts* in Durkheim's sense. They constitute the “normal” way to hope, and divergences from them are accompanied by a sense of coercion and possibly also by sanctions from other people. People may, for example, hope for a certain type of family in modern society (say, one boy and one girl), for a certain way to die in modern society (say, in your own home), and so on. Hope as a collective good belongs here.

But there may be more to hope and its social dimension than this. In one of his works Søren Kierkegaard speaks of hope as fair wind filling the sails and pushing the wish for something to its goal. But he also makes the interesting comment that hope can, so to speak, overtake its object and lessen its chances of being realized (Kierkegaard [1843] 1987: 1:292). This is where hope goes from being helpful to preventing its object from coming into being and sometimes even destroying it. Again, a door is opened up to empirical social study since it is easy to imagine situations where the individual succumbs to overenthusiasm precisely because of what other people do.

One can partially illustrate the view of hope that has been advanced in this chapter with the help of a diagram with two dimensions. One of these denotes whether hope stays within the person or whether the person will also try to realize it in reality (*passive-active*). The other dimension attempts to capture the quality that hope is useful in certain doses—to get the wishing going—but that it also can become so strong that it overwhelms the normal unfolding of hope and prevents it from becoming true (*inspiring-overtaking*; see Fig. 1.2).

Before discussing what this approach to hope implies for the study of hope and the economy, something also needs to be said about hopelessness. The notion of hopelessness is often mentioned in discussions of hope, but it is not theorized in its own right. It is typically seen as the opposite of hope, sometimes as fear and sometimes as a lack of hope.

My own view is that this way of looking at hopelessness may well be wrong. Hopelessness, I suggest, is a phenomenon in its own right and as important to study as hope. It is not simply the opposite or negation of hope but can throw new light on the nature of hope. More precisely, while hope

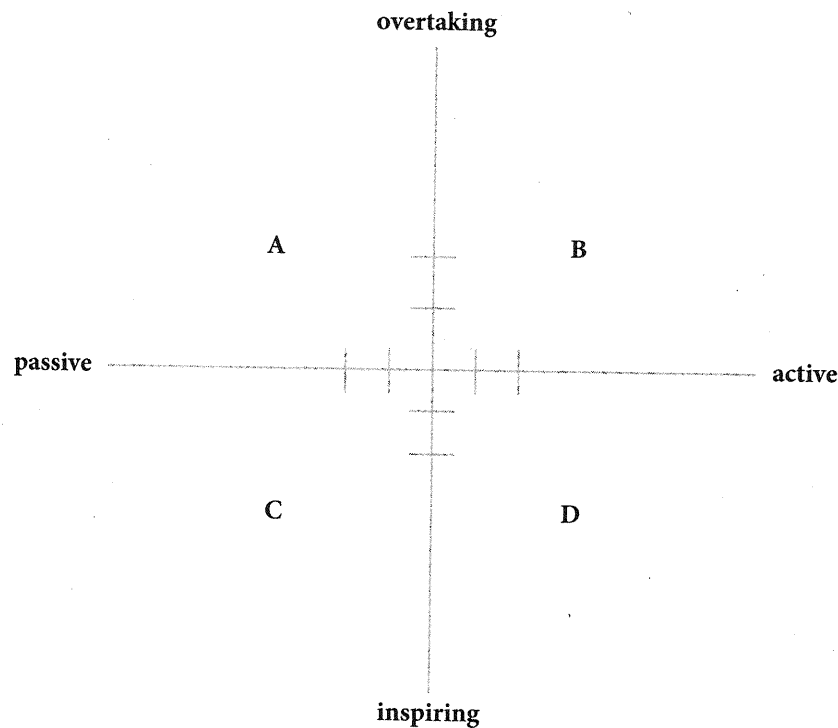


Figure 1.2. Two dimensions of hope. Hope can either be centered inside a person or be oriented toward actions by the person on the outside; hope can also work as an inspiration for the object/action of hope or it can overtake or overpower the attempt to realize it.

would seem to always attach itself to *something*, hopelessness indicates that hope may be more general than this. People with no hope, it is often noted, are people who feel hopeless in general, not just in relation to some special item or need.

The notion of hopelessness evokes associations with Jean-Paul Sartre's view of hope as infusing a person's major enterprise in life, rather than just some specific project (Sartre 1996). Hope, from this perspective, may be understood as a *capacity* that people have. It also seems to indicate that this capacity is brittle, and, once destroyed, that something important is lacking in the individual.

Again, we have an entry point for the social sciences here, to the extent that the destruction of the capacity for hope comes from the outside. It can,

for example, have been caused by some specific event; and relevant events may vary from society to society. Perhaps also the opposite is true, namely that the capacity to hope can be strengthened under certain circumstances. Can it perhaps also be restored, once it has been destroyed? We do not know.

If one applies this view of hope to the economy, one can get a sense for some of the topics that can be analyzed with the help of the social sciences. As to the element of *wish*, it would seem that people wish for economic things because of scarcity, among other reasons: there is just not enough of everything for everybody. It would also seem that people primarily wish for material matters when it comes to the economy. This would mean that wishes of this type are more aimed toward the outer world than toward the inner world. Interestingly enough, however, this may not always be the case. People have plenty of economic dreams and wishes about the economy.

The second element of hope—that it always is a wish for *something*—takes on a special meaning in the world of the economy. One may wish for a fortune, a good job, success in business, and so on. As earlier mentioned, this element has a direct link to the social in the sense that different groups and societies have different economic items to which hope can be attached. In a feudal society, the peasant may hope for a nonrapacious lord; in a capitalist society, for a decent employer, and so on.

Similarly, the third element—the wish for something *to come true*—is played out according to its own logic in the world of the economy. If the person knows what to do, the chance of realizing the hope will grow. Hope can also get the person going and be the hiding hand that Albert O. Hirschman (1967) speaks about. But if hope overtakes the action to realize the hope, the entrepreneur may go wrong, ending up as a speculator or a reckless investor (see Fig. 1.3).

Ways of hoping that involve the economy may finally also congeal into social facts that people see as "normal" and "natural," unless they deviate from them (in which case they are experienced as coercive). In the case of the economy one may hope, for example, for a good job (which allows the individual to realize himself or herself), to make money by starting one's own firm, and so on.

Finally, hopelessness can have a paralyzing effect, spreading from the area of the economy to the rest of a person's life. In the famous study from the 1930s of the unemployed in Marienthal, Austria, such a situation is discussed (Jahoda, Lazarsfeld, and Zeisel [1933] 1971). The authors divide the

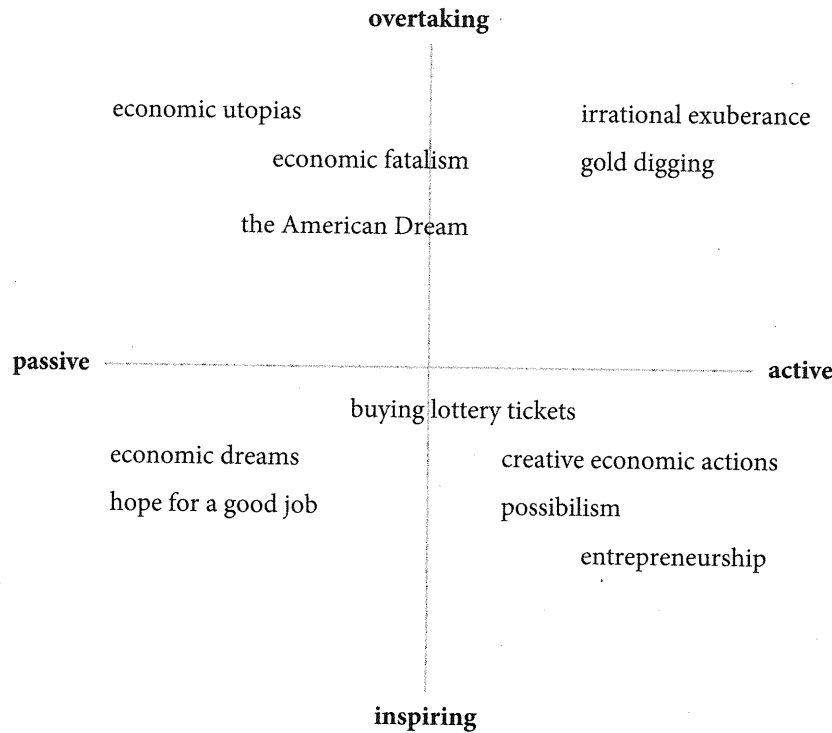


Figure 1.3. Two dimensions of hope and the economy. Economic actions are primarily concerned with the outer rather than the inner sphere. But as the examples in the figure show, some interesting economic topics belong to the inner sphere. The specific items mentioned in the figure may also shift around a bit, depending on the circumstances. The American Dream may be seen as a social fact that involves hope.

unemployed families into three categories: “unbroken,” “resigned,” and “broken.” In the authors’ terminology, the unbroken have hope, the resigned have no hope, and the broken feel hopeless.

The purpose of the discussion in the second part of this chapter has not been to develop a general theory of hope, and then apply it to the economy. Instead it has been to look at hope in a way that opens it up for social science study, especially the sociological and empirical study of hope and the economy. I have indicated two places where hope has direct links to society: one hopes for *something* and for this *something to come true*. Hopelessness also

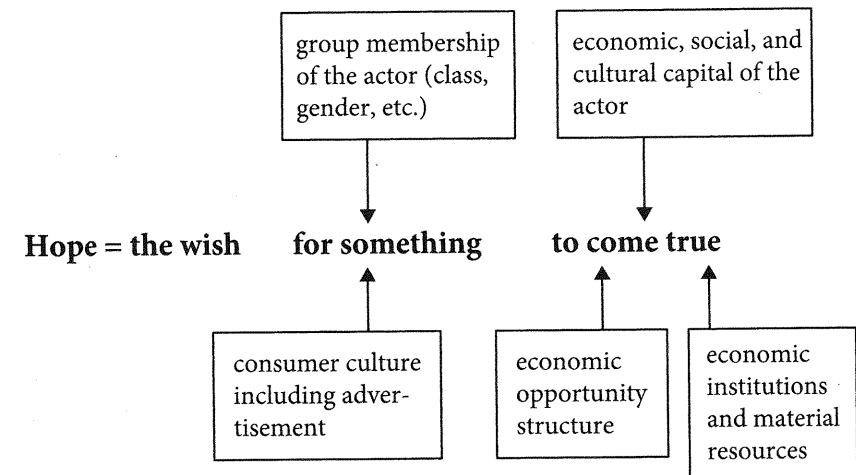


Figure 1.4. Hope and its links to economy and society. The figure shows some social influences on hope relating to the economy in modern capitalist society. The influences relate to (1) the object of hope and (2) how it can be realized. Ways of hoping may also congeal into social facts, which people see as “natural” and from which deviations are felt as coercive.

appears to be caused by social forces. All of these cases, I argue, invite further discussion, reflection, and empirical research (see Fig. 1.4).

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## CHAPTER 2

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### Mercantilist-Utopian Projects in Eighteenth-Century Sweden

Richard Swedberg

During the eighteenth century several waves of collective hope went through Sweden, some of which were to leave permanent marks on the country.<sup>1</sup> First and foremost, many Swedes hoped for better economic times, since it was generally understood that peace had now replaced war on a permanent basis. Some people in the ruling elite no doubt hoped that Sweden would regain its status as a military power. But there were also those in the elite who hoped to turn their country, which at this point in time was poor and underdeveloped, into one with a rich, powerful, and self-sufficient economy. To accomplish this they initiated a number of utopian and hopeful economic projects. They tried, for example, to cultivate silk, coffee, and tea. They also started up a number of enterprises in the hope of replacing imports that they found wasteful. It is with these utopian and hopeful economic activities that this chapter is primarily concerned.

The general mode of thought within which these hopeful economic plans for the Swedish kingdom were conceived, and which also dominated official thought in Sweden at the time, is usually referred to as "mercantilism." In short, these plans were developed within an economic worldview according to which the national economy was seen as a household, and the main task of the rulers was to manage the resources of the country well, and thereby increase its wealth or surplus (see, e.g., Heckscher 1935; Karlsson 1992; Magnusson 1991; Runefelt 2001). Moneymaking and trade were primarily to be