

## Workstattgespräche: Histories of Planning

19 March, 10:30-12:00 Giorgio Riello: By Design: Economic Development and Global Histories

You are about to hear the second interview held as part of the working conversation series „Histories of Planning“ presented by Dep III Artefact, Action and Knowledge at the Max Planck Institute for the History of Science, Berlin. The interviewee is Giorgio Riello, Co-Director of the Global History & Culture Centre, Professor of Global History in the department of history at the University of Warwick and author of *Cotton: The Fibre that Made the Modern World* (CUP 2013).

Questions are asked by Dagmar Schäfer and Nina Lerman.

**Dagmar Schäfer:** Today is March the 19th and we have Giorgio Riello with us, who gave us a very nice presentation about planning and how it reflects in his work. I would like to start us off with a very simple question: In the history of economy, planning seems to be more or less understood. Could you briefly summarize what the historical perspectives on planning [E/N as seen from the disciplines of economy and global history] are? What would be major points?

**Giorgio Riello:** OK. This is only appears to be a simple question. It turns out to be a very complicated question. I suppose also it depends on which kind of economic historian you ask, as every one would give you slightly different answers. I have a keen interest in systems of production and manufacturing. I will confine myself to this viewpoint and furthermore the viewpoint of economic history as I am now practicing it, that is, in the field of global history. The way in which we have structured explanation of historical processes are at such macro level, that both the agency and the planning element seem to go out of the window altogether. And this is incredibly problematic for the discipline as a whole.

Yesterday's discussion was very important, because it made me understand the premises for your project. But it also made me understand your problem, that is the problem with which you start: in particular the relationship with, on the one hand, "planning" as a very theoretical declaration and something highly conceptual, [and] on the other hand, [planning as] something that is highly practical. In many ways economic history has always sat in the middle [between those two], in thinking about how people, in the past and also in the present, start conceiving plans and projects, how they conceive economics, and then how they implement all those.

**Dagmar Schäfer:** Can you see different modes of planning, that is, historical developments of planning in periods that, for instance, [are claimed to] have substantially contributed to globalised scales of economic activity?

**Giorgio Riello:** It is a difficult question in the sense that, of course, we have a narrative that if there is a model then the European model must have had a great deal of influence through colonial projects and through what is used to be called the European expansion, and so on. It turns out to be more complicated, because part of the issue, for example, in the colonial activity in India, is actually not theoretical, not about how you try to change the system or encroach on the system. It is more about how [historical] actors take stock of the fact that they cannot achieve certain things in the same way [in India as] they achieved them in London, or Bristol or Paris. They had to understand that and from that point they had to see what they needed to do to and how to change their plans. [From a historical perspective] a lot of this planning seems to have been trial and error.

I studied specifically the trading of commodities. How do you know what will sell? You try to go to another place, buy things, and then try to resell them in the place you come from, for instance. But how do you know what you are going to buy, how do you know what people back at home want? I usually conceptualize this using game theory, if you want some economic theory [in this conversation]. You replay the game several times, and learn by your mistakes. So you will actually have a feedback process, in which your planning is never fixed. It continuously changes depending on your feedback.

**Dagmar Schäfer:** Let us think for a moment on the role novelty and familiarity in planning. In planning these definitions require some thought, in the sense of what is there and what do you want to achieve and also in the sense of how much of what you want to achieve needs to be familiar. Could you say that in this regard the merchants act similarly to somebody who is building up a Buddhist network of familiar-looking temples, because both need to create an excitement about what is happening [and create something new], and at the same time they want to communicate familiarity about the content or the context?

**Giorgio Riello:** The English East India Company arrives in India in 1600, and they see the Portuguese and, this is very important, because they see what has already been achieved. And they kind of think, well we will get along with the same kind of business, what we are going to do is to start importing into Britain, coverlets, rather beautiful objects, which fit into to the elite material culture. They do [this], and they fail. They fail because they realize that these objects are expensive, something you can buy in France that is considered proper for the nobility. These products are not actually able to achieve the same status [in Britain], but they have the same price. You realize that, if you are not able to achieve the same status but you have the same price, you are out of the market.

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The other point that this makes me think about is that economists, in particular in the last two and a half centuries, believe that, if there is not enough planning, the market will help. Essentially, you -- certainly states -- should not interfere or, indeed, plan. Because people believe it is better if economy happens along some ['natural'] rules that once identified become economic theory. And those theories then support the market, as a conceptual space. Of course, this conceptual space also relates to a real space, as we know it, a space in which one then has these forces that one sees working in a kind of a natural way.

This is certainly total fiction, total construction. But there is at least the idea [in economic theory] that, these rules act as forces. This is not planning, because it doesn't mean that necessarily the rules are directing things to any prescribed direction. The rules, however, become structuring forces, that sometimes supplement, sometimes replace the action of individual or institution or businesses, and indeed it is sometimes believed that these [identified natural] rules are better, because they are more efficient.

Again here comes the issue of efficiency [E/N which we discussed earlier]. [Believed is] that it should be left to competition, i.e. a competitive system, rather than that someone should go and organise this. The view is depending on where you are standing in the political spectrum and if you believe in giving that kind of a free hand to the market or not.

**Nina Lerman:** Another approach to this history of planning project—which, since it sort of grows out of Dagmar’s thinking about the Song dynasty, means it is in fact very Not-Europe, in a basic way. It does not have to be all rational and advance planning. There is plenty of room in her framework for the kind of short term and improvisational decision making, judgement, deployment that might have to happen without the grand scheme.

**Giorgio Riello:** First of all we must say that nothing exists in isolation. It is not as if your instant planning exists, and nothing else and you just respond or report on that in a kind of technical, determined way.

Recently I reviewed a book entitled Watchful Clothier (Matthew Kadane, *The Watchful Clothier: The Life of an Eighteenth-Century Protestant Capitalist*. New Haven and London: Yale University Press, 2013) It is about this clothier in Northern England, in Leeds, (in the second half of the eighteenth century who kept a diary. The diary has two and a half million words. It is a rather large diary, three times the entire works of Shakespeare. And the problem is that, you would think, being quite a successful entrepreneur, there would be a lot [in this diary] about this guys business activities, for instance on putting-out systems. In reality the diary is mostly about religion. It is mostly about his concerns in terms of religion. Laterally it tells you a great deal about economy, because his concern is in fact that he is a successful entrepreneur.

**Dagmar Schäfer:** I have one last question for you. We have talked about planning up to now, it seems, very much related to power: who has the power in the system. So it looks very top-down. But you could also consider that planning actually is a very bottom-up process, because it is not the manager who decides what the working process is. He might be able to decide which issues he wants to pay attention to. But eventually you could say, there is a logic in the way things have to be done, how they actually are made to work. [We often assume that] The manager might not know [or does not need to know] how to bake a cake. Then all his knowledge is informed by the one who knows how to bake a cake. So if you look at your system, do you think one could discover these instances [of bottom-up knowledge turning into rules of planning] and how would you go about to do that? Or is this totally obscured by the fact, that you see the people managing rather than the people enacting the crafts, skills and the knowledge?

**Nina Lerman:** ‘Top’ and ‘Bottom’ is maybe too dichotomic. Because I was also thinking that, the making things work approach means you could take that question and ask it of the Indian side as well as asking it of the merchant side. I mean you have tops and bottoms on both sides, interacting at different levels.

**Giorgio Riello:**

Well, what I find personally interesting is when the people ‘in charge’ what you call the “managers” admit failure. They admit that actually something went quite wrong, that their power is not omnipresent as they thought or as they would like, because that would be the aim. They kind of describe it in terms of asymmetries of information. That is another economic concept. The fact that not everyone has the same amount of information in a system: which might be a whole organisation system, or a planning system [...]. Actually, the workmen on the shop floor might not have enormous bureaucratic power. But they have incredible knowledge about specific processes and that’s incredibly important because first of all it gives identity to people, it’s not just about free circulation of information, it gives identity to people. And that, you might say, information, knowledge plus identity is used in specific ways and therefore you would find that in the factory system that I have in mind, specifically small scale enterprises, people on the shop floor seem to be much more knowledgeable about the product than someone, let’s say, in the marketing division who might have higher salaries. And indeed those might also be the best people to start rethinking the process [of planning] rather than [to think with] some one who has this panoptical view and can see the entire chain of production going back.

**End of Interview**

