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## Article

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# What inflation disrupts?

## A comment on “Inflation – Pragmatics of money and inflationary sensoria” by Federico Neiburg

Jeanne Lazarus

Talking about money means talking about practices, morals, policies, the banking system, the social system, families, inequalities, poverty, wealth, measure, excess, or lack. However, most often, money is approached as a fixed point around which individuals, societies, banks, or policies move. Inflation jeopardizes this fixity in several ways: the value of saved money decreases or even collapses when the value of goods and services rises. Old price scales are no longer valid: everything increases, but not everything increases at the same speed, so that the relationships between things, between goods, and even between people, are in flux. Two attitudes then coexist: on the one hand, clinging to the old landscape of currency and prices, trying to make sense of what is happening; on the other, attempting to understand the new landscape and navigate with these new rules that have not yet been mastered.

Sociology has long shown that societies, like individuals, need to describe an order of the world. When this order is absent, Emile Durkheim speaks of anomie, a moment defined by the impossibility of knowing what the norms are. It is not insignificant that economic crises feature prominently among the examples of anomie cited by Durkheim. They lead to upheavals in social positions that make it very difficult to understand so-

ciety and the behavior of others. Erving Goffman also assigned essential importance to the question of social order in his work. Goffman is interested in this order within interactions, the necessity for every individual to be able to determine the situation in which they find themselves in order to act. This necessity can be transposed to the question of money and currency. Finally, closer to our time, we can mention pragmatic sociology, which has clearly demonstrated the intense social work of individuals in order to succeed in “acting in an uncertain world” (Callon, Lascoumes, and Barthe 2009), by building institutions, moral norms, subjecting them to tests, and attempting to stabilize “reality” (Boltanski 2011).

Inflation, by setting things in motion, allows us to understand what money stabilizes and what becomes destabilized when money is no longer secure. Federico Neiburg, in his beautiful text, conceptualizes the idea of “inflationary atmospheres” to describe, from a sensory point of view, a world where money is fragile and difficult to rely on. Beyond the sensory experience of inflation, the issue at stake is the kind of life that people are able or unable to lead, a concept embedded in the notion of “expensive life.” Inflation is analyzed not only as a macroeconomic phenomenon but primarily as a source of distress for the poorest. As Neiburg reminds us, for many, the face of inflation is hunger, even in the 21st century. In France, the concept of an “expensive life” (*vie chère*) has a long history. Several “expensive bread” crises led to riots in the decades preceding World War I. Alain Chatriot and Marion Fontaine made it clear that consumption was not an obvious concern for the socialist movement, which initially focused on the question of production but eventually campaigned against the high cost of living in 1910. However, when riots broke out in 1911, with housewives destroying market stalls,

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most leaders distanced themselves from these actions that seemed far removed from the theoretical elaboration of socialism (Chatriot and Fontaine 2008). These uprisings were perceived as anarchist, but, more importantly, as non-political, meaning they did

not align with a collective direction but seemed to be a spontaneous, unframed reaction with no future. Historically, consumption has been less politicized than production. Within sociological literature, it also appears that consumption issues are often considered less politically significant. This is one explanation for the limited interest that sociology, particularly in France, has long shown in the question of money, whether it is the money of the poor (Lazarus 2006) or the broader social effects of economic capital inequalities, while those resulting from social or cultural capital have been extensively studied (Blic and Lazarus 2021). Although the revelation of the skyrocketing wealth inequalities in recent decades has slightly shifted the focus, Federico Neiburg's paper highlights how inflation, affecting all countries in the world, sheds light on the role of money and its stability, as well as monetary inequalities and individuals' ability to consume adequately, at the very least to feed themselves.

The discussion I propose is based on a different situation than those addressed in the article but shares with them several similarities: inflation in France and Europe does not reach the levels described by Neiburg in Argentina, Brazil, and Haiti at other times. It is not a hyperinflation situation, where rates reach three or even four digits, such as the one experienced by Germany in the interwar period, for example.

In its recent history, France has experienced periods when inflation was above 10%, after the Second World War and in the 1970s. During that time, financial products were adjusted to this situation, and mortgage loans were designed to anticipate the gradual increase in prices and wages. Fighting inflation has long been a crucial issue in public policies, and it is also at the core of European treaties, although this approach is far from unanimous as combating inflation is often used to justify expenditure reductions or liberalization of certain sectors. These policies have been effective, and inflation was no longer part of the financial repertoire of French households after the 1980s.

The inflation that has affected Europe since 2022 is sudden and marks a rupture with several decades of extremely stable prices. It is striking that in the works on the financialization of everyday life that have developed since the early 2000s, initially in Europe and North America, the question of inflation is never addressed. It is also not included among the threats related to the "risk shift" described by Jacob Hacker (Hacker 2006). In France, inflation in 2022 was 5.2%, and the forecasts for 2023 range from 5.5% to 6.5%. Therefore, it is not a situation of "inflationary atmosphere" as described by Federico Neiburg, "when permanently high prices obscure the relationship between people and economic reality." Economic reality is not so dis-

rupted that it becomes unreadable, but the increase in prices further complicates the already strained financial situations of the poorest population. Currency collapse is not on the agenda, especially since the causes of this inflation seem to be external to national public policies, as they are primarily driven by the Covid-19 pandemic and the war in Ukraine. As a result, public debate focuses less on the country's monetary and macroeconomic policies (although they may eventually be addressed indirectly) and more on the difficulties caused by this situation for a category of the population referred to, depending on the speaker, as fragile middle classes, working poor, or working class, but particularly encompassing people in low-paying and less protected jobs, earning minimum wage, and whose social contract established after the war, which stipulated that wage labor should provide access to an average level of consumption, is no longer being respected. These situations did not originate from inflation, nor did their description or mobilization in political arguments. For example, in the name of justice for the working poor, there are regular proposals to improve the activation of individuals who do not work and receive social benefits or to reduce companies' social charges so that they can pay their employees better, and sometimes even to raise the minimum wage. However, in France, as in Brazil, the structure of the budgets of the poorest households makes them more vulnerable to inflation than the wealthier ones because food and energy account for a significant portion, and these are the two sectors where prices have increased the most, by almost 15% in a year. Therefore, like in Brazil, not everyone is equal in the face of inflation, and it reinforces wealth disparities, not through the enrichment of the wealthy but through the impoverishment of the working class.

Political tension is therefore important in France, as in the countries studied by Federico Neiburg. Although this tension is not solely centered on the high cost of living, economic issues play a significant role. The yellow vest movement was sparked in the autumn of 2018 when the government attempted to impose a carbon tax that would have increased fuel prices. More recent social movements have fought against pension reforms, but the difficulty of making ends meet was salient in the demonstrations.

Beyond comparing national situations, I will explore several themes that Federico Neiburg's text invites us to consider in understanding the social effects of inflation from a sociology of money perspective. I am particularly interested in the "money policies," a term I have coined to refer to public policies that regulate household finances, ranging from the structuring of the banking system to consumption support policies and financial education (Lazarus 2022).

## Justice is the issue

The first key point that links the different national situations is that inflation is experienced as an injustice. Indignation expressed in terms of prices: newspapers detail the price of meat, cereals, or vegetables to show that they result in the exclusion of a portion of the middle class. As Neiburg aptly states, the outrage over these prices has significant political implications: "Protests condemn 'expensive lives' in a double sense, denouncing the impossibility of life for some and the excess of life for others. In-between the fire and smoke of the barricades, faced with the ever-present possibility of violence, rising up against expensive life is a political and moral affirmation, and also a way to collectively seek out a better life ('chache lavi'), a life worth living."

Prices must be fair for life to be worth living. A fair price is what Viviana Zelizer calls a "good match," meaning that the price paid is considered adequate for the item purchased, as well as for the context of the transaction and the people involved in the exchange (Zelizer 2011). A good match goes unnoticed because it blends in. Only when the match is missed does it become visible.

The justice of a price has multiple definitions: Is it related to the market (the fair price is the price at which supply and demand meet)? Is it related to recognizing the labor of producers (such as fair trade, but also any price intended to provide producers with compensation for their work and investments)? Is it related to the purchasing power of consumers (as is the case when goods are subsidized by the state to make them accessible or when taxes applied to products differ based on the recognized necessity)? Is it related to the positive or negative externalities generated by the activities in question (where it is fair to raise the prices of polluting activities through taxes and lower the prices of sustainable products)? Sometimes, prices are decommodified, to use Esping-Andersen's expression (2009), as is the case with social insurance, whose tariffs are less tied to individual use than to collective needs. Establishing a fair price is not without controversy: sometimes it is fair to increase prices, sometimes to lower them; and sometimes it is fair that not everyone should pay the same price, etc.

Food prices occupy a specific situation regarding the fairness of price scales. Access to food is a matter of survival, and it seems unjust both to commodify these goods and for some to profit when food shortages drive prices up. However, in contemporary France, where hunger has become a marginal situation, the goods whose excessive prices are considered unjust extend beyond bread: gasoline for cars and heating are considered essential and receive government assistance. Moreover, housing has long been subsidized, as

have health and education. Implicitly, the notion of a just way of life is outlined, and it should be supported by the community, embodied by the state and public policies that support household finances, whether it is access to credit, the subsidizing of certain essential products, the retirement system, or budget counseling and financial education.

Thus, the definition of a life worth living is correlated with the way of life, social representations, the definition of participation in society at a given time and place, and what constitutes a "normal" life course. What Federico Neiburg's article and his previous research show is that the monetary landscape is essential to this definition of normal life: not only is it constructed based on these representations, but it also influences people's life experiences.

## The monetary landscape

Neiburg's article invites us to take seriously the description and analysis of the monetary landscape in which individuals live. This landscape is either destabilized by inflation or, as is the case in countries where the population is familiar with these phenomena, a part of the financial repertoire. It is indeed an essential element of people's sensory experience and a major political subject. How can this be studied? In our collective article on what we have called "oikonomization studies," José Ossandón, Joe Deville, Mariana Luzzi, and I proposed an analytical approach to analyzing the link between households and finance, drawing on numerous research studies conducted worldwide over the past two decades, often based on ethnography but also utilizing other methods (Ossandón et al. 2021). Bringing all of this research together made it apparent that describing the monetary landscape of households requires moving from the micro to the macro level, from the intimacy of households to international organizations discussing economic policies. To demonstrate the connections between these different layers, we showed that financial oikonomization is organized around seven operations: attaching, budgeting, educating, evaluating, juggling, infrastructuring, and publicizing. The effects of inflation are felt in all these operations.

Without being able to delve further into it here, let's take the example of the "budgeting" operation: if expectations have not taken inflation into account, then the planned budgets cannot be maintained. However, since households also have "juggling" abilities, especially when they live in changing landscapes, they are also able to find ways to cope with price increases, through forms of in-kind exchange, credits, and prioritization of their payments.

Our framework also allows us to understand that the effects of inflation on household finances have repercussions for the financial industry, which holds those households' savings and grants them credit through the evaluating operation. But it also challenges the rationales behind financial literacy policies: even the most financially literate person will not be able to escape impoverishment if prices increase more than wages.

Mapping the monetary landscape involves considering the insurance system, the pension system, the banking industry, work organization, the free or paid nature of healthcare and education, public services, social stratification, and so on. It is all these elements that households consider when organizing their expenses and aligning their self-representations within society with their way of life. It must be emphasized that these different elements are themselves constructed based on representations of what constitutes a life: the ages at which one is expected to pass certain stages, representations of couplehood and family, what is perceived as individual or collective responsibility, and so on. All these elements combine to produce a representation of "normal" life and its deviations (Goffman 1963).

## Maintaining the middle class and a life worth living

The stakes of inflation, as Federico Neiburg puts it, are related to life itself. The "expensive lives" mentioned could even be perceived as "disposable lives," to paraphrase Matt Desmond (Desmond 2012). Inflation affects people's experience of life through the limitation of consumption that it engenders. This limitation can manifest as deprivation, particularly in terms of food or energy, leading to hunger and cold. Delays in bill payments can result in losing one's housing. But beyond these dramatic situations, the issue here is the position of individuals in social stratification. An experiment was conducted in France a few years ago, bringing together citizens through focus groups to establish, through iterative work, a description of goods and services considered necessary for leading a "normal" life (ONPES 2015). For example, the groups determined that elderly people should have an extra room to receive their family, or that a family with children should go on vacation for one week per year. Implicitly, it appears that having a social life (through vacations, leisure activities, and the means to see family) is a central aspect of a good life. Once this list was established, the groups priced it. It turned out that minimum wages were much lower than these reference budgets, particularly for single-parent families

and individuals living alone. The conclusion is that people who work for low wages cannot achieve a consumption level deemed "normal" and therefore find themselves in a structural situation that is not characterized by vital deprivation but rather by a reminder of their lower social position. The level of consumption one can attain, as Veblen demonstrated, is a crucial marker of social hierarchy. The feeling of downward mobility and the resentment it can generate are strongly related to consumption. This was evident during the yellow vest protests in France, where people expressed their frustration with deprivation. It was not so much about vital deprivations but about deprivations signaling their social inferiority, the first being the obligation to count everything, a recurring theme in their testimonies and complaints. Financial constraints are felt practically and physically.

These questions arise for a specific segment of the population: employees who consider themselves socially "integrated" through their work and expect a standard of living that reflects the social status they believe is just. Not being able to consume in a "normal" manner appears unjust to them. This part of the population is particularly important politically because it seems most receptive to populist and nationalist discourses, whether it is the voters for Donald Trump (Cramer 2016; Hochschild 2016), British "leavers," or those who revolt against what is, wrongly or rightly, perceived as the elite. Of course, a nuanced sociological analysis reveals the complexity and diversity of these social groups, their mobilization motives, and economic situations. However, numerous analyses since the 1990s have emphasized the growing disconnection between the mobile and the immobile (Boltanski, Chiapello, and Elliott 2018; Sassen 1991). This disconnection has been further reinforced by the transformation of the salaried work and the welfare state reforms that challenge what was once perceived as a process of middle-class formation in Western societies: the improvement in living standards and protections enjoyed by the working class allowed them to enter into consumption and experience not only a higher level of comfort but also the ability to plan for themselves and their children, thanks to stable employment and social insurance (Castel 2017).

The challenge is to lead a life worth living, one that is not lived "day by day," as the life of the poorest, who are condemned to short-term thinking and great difficulty in mastering their circumstances, has often been described. The ability to plan is part of the "good economic life" of households, and of the "good life" in general, as it was organized by the politics of money in the rich countries after the Second World War. Planning means being able to produce a coherent narrative of one's life that fits into family trajectories. It is also

the reproductive capacities of families that are jeopardized by economic destabilization as individuals experience difficulty in having enough money to start their own household and leave their parents, and difficulty in being able to provide for their children and accompany them to ensure that they reach a social and economic level at least equal to that of their parents. The sensation of inflation could in this sense be studied through a gender prism: women are more often in charge of domestic expenses (food, payment of bills), which are those that have increased the most. We understand that they were at the head of the riots (Chatriot and Fontaine explain that this is one of the reasons why the movement had difficulty being taken seriously by the socialist leaders in 1910). However, as Lisa Adkins has shown, the monetary landscape of financialization involves new risks and new inequalities. It is not just the stock of money that matters but also the flows, and women are disadvantaged in both dimensions (Adkins 2015).

Taking into account what is at stake for reproduction and family transmission to children, we understand that while women are obviously very much involved, the injunction for men to provide for their families implies that their inability to do so is a challenge to their family status, possibly to their manhood and adds to the sense of diminished lives.

Considering the monetary landscape in order to understand what a life worth living is leads one to con-

sider all dimensions of social experience, from the most intimate to the most public and professional.

## Conclusion

Federico Neiburg's proposition to examine inflation in a pragmatic and sensory way is particularly fruitful. Inflation is felt and challenges the frameworks of justice and morality. It also sheds light on the economic tension in which a growing part of the world's population lives, including people in rich countries. This has been described through work on wealth inequality or household debt. The political economy literature has described privatized Keynesianism and the individualization of risk. The sensory experience of these developments is further reinforced by the inflation of prices for basic necessities. These consumption issues also call into question social justice and the fairness of each person's social position.

The political debate is still unstructured on these issues: it is mainly centered on indignation and morality, and it is striking that, as in the 1910s described by historians, the bulk of the political struggle is concentrated on production. The political debate on the right price scales, which should include their environmental impact, is still to be constructed.

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