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HISTORY, ECONOMICS, AND ANTHROPOLOGY: THE WORK
OF KARL POLANYI*

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I

Historians in their consideration of theory have to concern themselves not only with "theories of history," but also with the theory of the other social sciences. Social scientists perhaps hope that one day they may be able to announce that *dum Romae consulitur, Saguntum expugnatum est*. This article is in the nature of a "report from Saguntum."

Economics, being the most "scientific" of the social sciences, the most ready to formulate laws, is particularly apt to provoke conflict. The present debate over the "new economic history," with its emphasis on the use of models and of econometric techniques, is an example. Those who accuse "Cliometrics" of dehumanizing history are in fact asking whether economic laws are valid for all periods and types of society. The new economic historians claim, with some justice, that they have not introduced economic laws and methods of inference into history, but only questioned some hypotheses which already implicitly relied on them. But their methods in any case have brought into prominence the question of the range of the deductions from economic theory possible at any point in time, and the question whether economic theory becomes less valid as we move further from the modern economy.¹

* The following abbreviations are used in the notes:

GT — Karl Polanyi, *Origins of Our Time: The Great Transformation* (London, 1945, with some additions to the 1st ed., *The Great Transformation*, New York, 1944).

TM — *Trade and Market in the Early Empires: Economics in History and Theory*, ed. K. Polanyi, Conrad M. Arensberg, Harry W. Pearson (Glencoe, Ill., 1957).

DST — *Dahomey and the Slave Trade: An Analysis of an Archaic Economy*, K. Polanyi in collaboration with Abraham Rotstein (Seattle, Wash., 1966).

TPE — *Tribal and Peasant Economies: Readings in Economic Anthropology*, ed. George Dalton (New York, 1967).

Essays — *Primitive, Archaic and Modern Economies: Essays of Karl Polanyi*, ed. George Dalton (Garden City, N.Y., 1968).

1. M. Desai, "Some Issues in Econometric History," *Economic History Review* ser.

Historians of economic development are disturbed not only by the prospect of having their theories falsified or their problems solved by economists, but also by invitations to take up the ancient position of the historian as a practical adviser. Here their position comes particularly close to that of the economic anthropologist.² Anthropologists are increasingly involved in the study of economic development and social change, and this has produced both murmurs of conflict between "pure" and "applied" anthropology, and a heated debate on the relevance of modern economic theory for the analysis of primitive or peasant economies. This debate would in any case be of interest to historians, but it is particularly relevant because it arose out of the work of an economic historian, Karl Polanyi, who was concerned with past civilizations even more than with primitive existing societies.

Polanyi's thesis, briefly stated, was that economic theory applies only to the modern market economy and cannot serve the needs of the economic anthropologist or the historian of pre-market civilizations. Nineteenth-century Europe "disembedded" the economy from the social structure, freed economic motives from social control and set in motion a process by which economic considerations came to dominate society. "Once the economic system is organized in separate institutions, based on specific motives and conferring a special status, society must be shaped in such a manner as to allow that system to function according to its own laws" (GT 63-64). To understand earlier or less developed societies, in which economic relations are still "embedded" in the social system (or in Mauss's terminology, economic transactions cannot be separated from the "faits sociaux totaux" in which they are incorporated),³ we need a new theory of comparative economics. In non-market societies the economy cannot be distinguished by reference to an interrelated flow of rational calculations. Instead, the historian or anthropologist must start from the material objects which serve to satisfy wants, and follow their movements

2, 21 (1968), 1-16 (with earlier bibliography); A. Gershenkron, "The Discipline and I," *Journal of Economic History* 27 (1967), 443-459; A. H. Conrad *et al.*, "Slavery as an Obstacle to Economic Growth in the United States: A Panel Discussion," *ibid.*, 518-560; Pierre Vilar, "Pour une meilleure compréhension entre économistes et historiens," *Revue Historique* 233 (1965), 293-312.

2. A. Gershenkron, *loc. cit.*; Carter Goodrich, "Economic History: One Field or Two?" in *Journal of Economic History* 20 (1960), 531-538; Lucy Mair, *Studies in Applied Anthropology* (London, 1957), esp. 9-22, "Applied Anthropology and Development Policies" (1956).

3. *TM*, 68, 71; M. Mauss, "Essai sur le Don," *L'Année sociologique sér 2*, 1 (1923-24) (reprinted in Mauss, *Anthropologie et sociologie* [3^e, augm. éd. Paris, 1966], 143-279; English translation, *The Gift* [London, 1954]). Talcott Parsons' "structural differentiation" (cf. Parsons, *The Social System* [Glencoe, Ill., 1951], ch. 4-5; Neil J. Smelser, *Social Change in the Industrial Revolution* [Chicago, 1959]) is a much more precise and useful formulation of what Polanyi calls "disembedding."

to see what operational patterns and groupings emerge.⁴ Four such patterns are suggested by Polanyi: reciprocity, or "movements between correlative points of symmetrical groupings in society"; redistribution, or "movements towards an allocative center and out of it again"; exchange, or "vice-versa movements . . . under a market system"; and householding, the pattern of peasant subsistence agriculture.⁵

Although the essence of these views had been presented by Polanyi in 1944 in *The Great Transformation*, they did not reach anthropologists and ancient historians until the late 1950's, when the collective volume *Trade and Market in the Early Empires* was published and other researches inspired or influenced by Polanyi began to appear. By this time Polanyi was seventy and neither his disciples nor his critics have made much attempt to enquire into the background of his thought or the formative influences of his youth. The result has sometimes been that what was original in his thought has been underrated, while what was part of a common culture has been separated from its context and taken for perversity.

1886-1933: HUNGARY AND AUSTRIA

Economic anthropologists would do well to remember that Polanyi was born only two years after Malinowski. He grew up in the radical bourgeois society of Budapest — an intellectual Jewish community cut off from political power, but expecting change. Universal suffrage had been introduced in Austria in 1907, and the political and economic dominance of the Magyar landowning aristocracy was seen as an anachronism which could not last. Preparation for the new order took the form of theoretical discussion rather than political action.⁶ Formal education was provided by the Law faculty in the universi-

4. *TM*, 241-242, 248-250. This does not mean that *only* activities concerned with the supply of material means are included in the economy.

5. For householding cf. *GT*, 60, *DST*, ch. 5, "Householding: Land and Religion"; for other definitions *TM*, 250. I use the term "market exchange" instead of Polanyi's "exchange" to avoid ambiguity, since reciprocal gift-giving may also be regarded as a form of exchange.

6. Cf. R. Seton Watson, *Corruption and Reform in Hungary: A Study of Electoral Practice* (London, 1911); Leo Valiani, *La Dissoluzione dell'Austria Ungheria* (Milan, 1966); Paul Ignotus, "The Hungary of Michael Polanyi," in *The Logic of Personal Knowledge. Essays Presented to Michael Polanyi on His 70th Birthday . . .* (London, 1961), 3-12. I am not here attempting a biography of Karl Polanyi; some further details of his background may be found in the obituary articles by his daughter Kari Levitt, *Co-Existence* 1 (1964), 113-121, and by G. Dalton and P. Bohannon, *American Anthropologist* 67 (1965), 1508-1511, and in Hans Zeisel, "Karl Polanyi," *International Encyclopedia of Social Sciences* (1968) XII, 172-174. Cf. also Iłona Duczyńska [Polanyi], "The Hungarian Populists," introduction to *The Plough and the Pen: Writings from Hungary 1930-1956*, ed. I. Duczyńska and K. Polanyi (London, 1963), and the account

ties, which included political economy and constitutional history in its syllabus, while outside the curriculum Marxism and sociology were major interests.⁷ Karl Mannheim (who came from the same background as Polanyi), discussing the influence of Marxism on German sociology in this period, has made some observations which seem relevant to the position of sociology as well as Marxism as non-academic subjects in Hungary. "Marxian theory, like many other social theories, counted only as an 'opposition theory,' i.e., academicians did not concern themselves with this branch of knowledge. This had the advantage that many urgent problems of everyday life and of political tensions were given a sociological interpretation in this non-academic discipline; but it had the disadvantage that those theories were abused for propaganda purposes, and, since they were handled by laymen, an element of dilettantism inevitably crept into them."⁸

Interest in sociology was not solely inspired by Marxism. The economic "take-off" which Marx had observed in England came later on the Continent, and thus problems of economic growth, in which the social consequences of industrialization predominated in Germany and the existence of large "underdeveloped" agricultural areas in Eastern Europe, gave sociology at this time a position not unlike that of anthropology in the general culture of the intelligentsia in America, France, and England today. As the current interest in anthropology reflects Western society's attempt to come to a new understanding with Africa and Asia, so sociology (with psychology) served as a focus and common ground of discussion for those who struggled to understand the crisis of European society between the two world wars. "It is precisely in the field of sociology that the spiritual and cultural forces of post-war Germany sought to shape themselves" (Mannheim, *loc. cit.*).

Sociologists' interest in Marxian theory had initially been concerned with the validity of the materialist analysis of capitalism, with the empirical study of social classes, and with the development from the theory of classes of the sociology of knowledge.⁹ But the development of world-wide economic crisis

of Polanyi's activities as a leading member of the Galilei Circle in Márta Tömöry, *Uj vizeken járók. A Galilei Kör története* (Budapest, 1960). I should like to thank Dr. L. Peter for telling me of this book and Dr. M. Boskovits for translating parts of it for me.

7. For the Law syllabus see *Encyclopedia of the Social Sciences* (1930) I, 269-273 ("The Social Sciences as Disciplines: Hungary"; written under the Horthy regime and almost completely ignoring the previous unofficial left-wing sociology.) Howard Becker and Harry E. Barnes, *Social Thought from Lore to Science* (Boston, 1938) II, 1078-1081; G. Lukács, "Meine Weg zu Marx," *Georg Lukács zum 70. Geburtstag* (Berlin, 1955), 225-231, and the account of Sorokin's university years in Russia in his autobiography, *A Long Journey* (New Haven, 1963).

8. Karl Mannheim, "German Sociology (1918-1933)," *Politica* 1 (1934), 12-33.

9. I know no comprehensive study of the influence of Marx and Marxism in sociology, but cf. Talcott Parsons, "'Capitalism' in Recent German Literature: Sombart and

and the example of a new type of economy in Russia led to increased interest in Marx's analysis of the weaknesses of the capitalist system, and in the possibility of a socialist alternative. It was this which was to be the mainspring of Polanyi's work on comparative economics. He contributed an article on socialist accounting to the *Archiv für Sozialwissenschaften* in 1922,¹⁰ in which he already voiced his belief in the social and moral superiority of the centrally planned socialist economy, guided by "social demand" rather than by the demands of individual consumers. From 1924 to 1933 he worked for the Viennese weekly *Österreichische Volkswirt* as a leader-writer and commentator on international (especially English) politics and finance. The effect of these years of closely following the spread of economic crisis and the rise of Fascism can clearly be seen in *The Great Transformation*. But that his economic interests were combined with a more general interest in sociology, important for his later development, can be seen in pieces such as "Lancashire als Menschheitsfrage,"¹¹ an analysis of the social and economic reasons for the superior efficiency of Japanese cotton production; "Wirtschaft v. Demokratie,"¹² a discussion of the growing tendency for the political choice between right and left to be seen in economic terms; or "England für Budgetwahrheit," from which I quote a passage which gives a good example of Polanyi's sociological bent:

Die parteipolitische Dramatisierung der Budgetdebatte dient in England einem geistig-moralischen, Zweck von höchster volksbildnerische Bedeutung. Was dem Unverständnis als Schlagwortpolitik dünken mag, ist in Wahrheit ein Kampf um sachlich gebundene Symbole, an denen sich das Verantwortungsbewusstsein eines ganzen Volkes schult. Die Einschätzung des vernünftigerweise zu erwartenden Ueberschusses wird zum Massstab der Vorsicht und des Ernstes, mit der sich die Bevölkerung ihren Zukunftsaufgaben widmet, die Zustimmung oder die Ablehnung der vollen Arbeitslosenunterstützung wird zum Prüfstein der sozialen Gesinnung der Regierung . . .¹³

Weber," *Journal of Political Economy* 36 (1928), 641-661, 37 (1929), 31-51; Franz Adler, "Marxist Philosophy and Sociology of Knowledge," *Modern Sociological Theory in Continuity and Change*, ed. Howard Becker and Alvin Boskoff (New York, 1957), 399 ff.; H. Stuart Hughes, *Consciousness and Society* (New York, 1958).

10. "Sozialistische Rechnungslegung," *Archiv für Sozialwissenschaft* 49 (1922), 377-420. Polanyi's concern, at this time as later, was with the quality of social life rather than the details of economic organization. For the quite different issues with which economists at the time were concerned see Maurice Dobb, "The Discussion of the Twenties on Planning and Economic Growth," *Soviet Studies* 17 (1965) no. 2, 198-208 (reprinted in Dobb, *Papers on Capitalism, Development and Planning* [London, 1967], 126-139).

11. 23 June 1934, 841 ff.; cf. 2 June, 781 ff., "Lancashire im Fegefeuer." (Polanyi continued to write for the *Österreichische Volkswirt* from England during the latter part of 1933, and 1934.)

12. 24 December 1932, 301-303; cf. *GT*, 33-34.

13. 28 April 1934, 669 ff. R. Firth's comment on a New Guinea cooperative society's

Sir Karl Popper, in *The Open Society and its Enemies*, mentions a discussion on the methods of the social sciences with Polanyi during this period which is of some interest. "The theory that while the physical sciences are based on a methodological nominalism, the social sciences must adopt essentialist ('realistic') methods, has been made clear to me by K. Polanyi (in 1925); he pointed out, at that time, that a reform of the methodology of the social sciences might conceivably be achieved by abandoning this theory." Popper adds: "The nominalist attitude in sociology can be developed, I think, only as a technological theory of social institutions."¹⁴ (Methodological nominalism "instead of aiming at finding out what a thing really is, and at defining its true nature [which is the aim of essentialism] . . . aims at describing how a thing behaves, and especially, whether there are any regularities in its behaviour."¹⁵ This record throws an interesting light on preoccupations which Polanyi came to express much later in *Trade and Market*. His concern there with the problem of defining "the economy" is indeed a typically essentialist one; but his decision to concentrate on institutions and the operational analysis of patterns of economic behavior in "applying the substantive approach . . . to a classification of empirical economies and . . . trade, money and market institutions"¹⁶ is nominalist. "Process and institutions together form the economy. Some students stress the material resources and equipment — the ecology and technology — which make up the process; others, like myself, prefer to point to the institutions through which the economy is organized. Again, in inquiring into the institutions one can choose between values and motives on the one hand and physical operations on the other, either of which can be regarded as linking the social relations with the process. Perhaps because I happen to be more familiar with the institutional and operational aspects of man's livelihood, I prefer to deal with the economy primarily as a matter of organization, and to define organization in terms of the operations

subscribers' meeting provides a striking parallel: "The public character of this presentation, its formal, almost ritual atmosphere, and the organisation involved, all show the serious committal to community purposes which marks so many of the large-scale economic enterprises of the New Guinea people" (*Essays on Social Organisation and Values* [London, 1964], 202).

14. *The Open Society* . . . I, 190, n.30.

15. *Ibid.* I, 26-27. This interest in nominalism can be traced back to the discussions of the Galilei Circle, in which the theories of Ernst Mach were an important influence. The Circle's second publication was a translation by Polanyi of part of Mach's *Analyse der Empfindungen* (Tömöry, *op. cit.*, 197, n.48; Mach Ernő, *Az érzékek elemzése c. munkájának 3 első fejezete*, Polányi Károly fordításában [Budapest, 1910]). If I am right in supposing that Polanyi tried to apply Mach's method in the social sciences, this is a new example of the wide range of Mach's influence — which deserves further study.

16. Polanyi, "Anthropology and Economic Theory," *Readings in Anthropology II*, ed. Morton H. Fried (New York, 1959), 165; cf. *TM*, 245.

characteristic of the working of the institutions . . ."¹⁷ The distrust of theories about motives expressed here can again be linked with early discussions with Popper stressing that sociology must study institutions and not "human nature"; "social institutions . . . must have existed prior to what some people are pleased to call 'human nature' and to human psychology."¹⁸

Polanyi's thought is also clearly related to the main movement of this period in sociology, the exploration of the sociology of knowledge. His assertion that economic theory is valid only for the analysis of the society which produced it belongs, in this context, with Lukacs' "Der Funktionswechsel des historischen Materialismus" (*Geschichte und Klassenbewusstsein* [Berlin, 1923], 229-260), Eduard Heimann's article "Sociological Preoccupations of Economic Theory" in *Social Research* 1 (1934), Adolf Löwe's lectures at the London School of Economics on *Economics and Sociology*, published the following year,¹⁹ and Talcott Parsons' discussion of "The Motivations of Economic Activities," which appeared in 1940.²⁰ Pointless controversy has been generated by the treatment of Polanyi's views as an attack on the development economics of the 1960's, when they really belong to this totally different line of thought.

1933-1947: ENGLAND

Although *The Great Transformation* draws extensively on historical material collected in England, the effect of Polanyi's stay there and of English contacts on his thought is difficult to assess. He spent part of the period lecturing in the United States, and *The Great Transformation* was written at Bennington

17. *City Invincible: An Oriental Institute Symposium*, ed. Carl H. Kraeling and Robert M. Adams (Chicago, 1960), 330.

18. *The Open Society and Its Enemies* II, 89-90, with 308, n.11. Polanyi's emphasis on operations probably owes something also to George A. Lundberg's sociological theory of "operational definitions"; Polanyi may have come in contact with Lundberg when he was at Bennington College in 1943. But he was already familiar with a similar methodological approach from his study of Mach.

19. I have to thank Jean Floud for directing me to the work of Löwe and Heimann. Heimann admired *GT*, which he cites several times in *Freedom and Order* (New York, 1947), *Reason and Faith in Modern Society: Liberalism, Marxism and Democracy* (Middletown, Conn., 1961; German ed., 1955) and *Soziale Theorie der Wirtschaftssysteme* (Tübingen, 1963), though for its historical analysis rather than its policy. Löwe evidently did not; he never refers to it, nor does K. Mannheim. *The Making of Economic Society* (Englewood Cliffs, N.J., 1962), by Löwe's pupil Robert Heilbroner, seems to me, *pace* G. Dalton (*Essays*, xii, n.4), to be little influenced by Polanyi.

20. *Canadian Journal of Economics and Political Science* 6 (1940), 187-203 (= *Essays in Sociological Theory* [Glencoe, Ill., 1954], 50-68). Polanyi also had much in common with the American "Institutionalist" economists, though I doubt if institutionalism directly influenced his work to any significant extent.

College, first published in New York (1944), and had a much greater success in America than in England. Yet he says in his introduction that the main thesis of the book was developed while lecturing for the W.E.A. in England in 1939-40; so the influence of the new English historical material (which might seem now of minor importance, since it played no part in the later development of his work) in the genesis of his theories should not be underrated. Polanyi had already been concerned with workers' education as part of the activities of the Galilei Circle in Budapest; his admiration for English socialism, as well as his evident gift for teaching, must have made his lectures to English workers on the history of socialism in England a stimulating experience for him, as well as for his hearers.²¹ And the political and economic preoccupations of his Austrian years were of course equally relevant in England. Concern with tracing the causes of Fascism was naturally especially prominent among refugee thinkers who were frequently asked for accounts of its development and felt it one of their main tasks to give the English public a clearer idea of what they were fighting against; and the main theme of *The Great Transformation*, the need for a planned socialist economy and the rejection of the argument that only a free market system could preserve liberal values, was an equally central topic of discussion.²²

Polanyi's advocacy of economic planning as the cure for the ills of society was criticized by a reviewer for its impracticality,²³ and this again was characteristic of the period in which it was written. The economic crises of the pre-war period, the shock of the rise of Fascism and the second world war, and the feeling that the war years represented an interlude of temporary expedients in government which when peace came would give way to an extensive reform and reconstruction of society, produced a strongly Utopian current of thought in all but the most steadfast minds; a Utopianism which took the form of visions of a morally regenerated society rather than concrete proposals for changes in the social system.²⁴ This concern with moral and religious issues

21. For the teaching activities of the Galilei Circle see Tömöry, *op cit.* Polanyi's admiration for English socialism is clear in his articles for the *Österreichische Volkswirt.*

22. On Fascism see Polanyi's W.E.A. pamphlet *Europe Today* (London, 1937), and his chapter "The Essence of Fascism" in *Christianity and the Social Revolution*, ed. Polanyi, John D. Lewis, and Donald Kitchin (London, 1935), 359-394. For debate on the compatibility or incompatibility of planning and freedom cf. the work in this period of, e.g., Heimann, Popper, Mannheim, Michael Polanyi, and F. A. von Hayek.

23. George J. Hildebrand, Jr., *American Economic Review* 36 (1946), 398-405.

24. E.g., P. A. Sorokin, *The Crisis of Our Age: The Social and Cultural Outlook* (New York, 1941); *idem*, *The Reconstruction of Humanity* (Boston, 1948); K. Mannheim, *Diagnosis of Our Time: Wartime Essays of a Sociologist* (London, 1943). On Mannheim and Utopianism, see Judith Shklar, "The Political Theory of Utopia: From Melancholy to Nostalgia," *Utopias and Utopian Thought*, ed. Frank E. Manuel (Boston, 1966), 101-115. Manuel, "Toward a Psychological History of Utopias," *ibid.*, 69-98 ("Contemporary Eupychias," 86-95) shows that Utopianism is not, as is often claimed,

can clearly be seen in the group of socialists and communists with whom Polanyi collaborated in writing *Christianity and the Social Revolution* shortly after his arrival in England.

The combination of a defense of socialist economics with an explanation of the causes of Fascism and a history of the rise and fall of laissez-faire capitalism is a remarkably ambitious program, but characteristic of the preoccupation of the time. What is more surprising is that *The Great Transformation* should also have included a discussion of primitive economics containing suggestions for new lines of research which were still able to stimulate anthropologists many years later.

Despite the importance of Malinowski as a source for Polanyi's account of primitive trade, and his admiration for the work of Radcliffe-Brown (Polanyi's stress on the integration of primitive society, and disregard of the existence of competition and conflict, resembles the approach of the structural-functional school of British anthropology), this development of Polanyi's thought seems more closely related to the tradition of Bücher, Tönnies, Max Weber, Sombart, and, more immediately, Thurnwald, than to any contacts made in England.²⁵ In fact the strength of his approach was its methodological originality and wide range of comparisons in a period when anthropology and to some extent sociology, too, were dominated by concern with fieldwork, and the establishment of both subjects in the universities had narrowed the cultural background of their recruits, who no longer had the prior training in handling historical material which had formed the foundation for the comparative studies of men like Weber and Mauss.

Polanyi's interest in anthropological material was of course part of his Utopian outlook; the influence of primitivism and romanticism has often been strong in economic history, and this period would make an interesting study. The apparent failure of economists to control the crises of the inter-war years shook faith in economic theory and opened the field to eclectic searches in comparative economics for new doctrines.²⁶ The classical scholar Bernhard

defunct. Polanyi (admittedly a very minor figure as a Utopian) is of some interest as standing midway between the old economic Utopianism and the "Utopias of love," if one may so call them, discussed by Manuel. The Hippies might be regarded as the Utopian movement corresponding to this new type of Utopian theory. (Cf. S. N. Eisenstadt, *Essays on Comparative Institutions* [New York, 1965], 146-174, "Changing Patterns of Youth Problems in Contemporary Societies.")

25. Polanyi's account of reciprocity, *GT*, 54 ff., is based on Malinowski's *Argonauts of the Western Pacific* (London, 1922); his conception of redistribution was of course derived from Thurnwald (*Economics in Primitive Communities* [London, 1932], 106-108; cf. Polanyi's "Notes on Sources," *GT*, 261-270).

26. E.g., Ernst Kelter, *Geschichte der obrigkeitliche Preisregelung. I. Die obr. Preisregelung in der Zeit der mittelalterlichen Stadtwirtschaft* (Jena, 1935); J. Lacour-Gayet, *Platon et l'économie dirigée* (Paris, 1945); Vernon A. Mund, *Open Markets, An Essential of Free Enterprise* (New York, 1948); Paul Einzig, *Primitive Money* (London,

Laum,²⁷ for instance, moved from a study of the religious aspects of the economy in ancient Greece to an historical justification of the Nazi "closed economy" (*Geschlossene Wirtschaft*, 1933) and a chair in economic history. The preface to Laum's later *Schenkende Wirtschaft* (1960), in which he recalls the impression made on him by the wholesale dumping and destruction of food in the 'thirties, is a useful reminder that these irrational attempts to discover solutions to the economic crisis in the remote past corresponded to a situation in which the policy laid down by economic theory produced results which seemed to be in glaring contradiction with social rationality.

1947-1964: AMERICA

Polanyi too became a professor of economic history, at Columbia University, in 1947. Here the contradiction between his socialism and his primitivism, which had made *The Great Transformation* a failure as a 'contribution to socialist economics, was resolved by a separation of the two. In economic history he turned soon from the history of capitalism to developing his ideas on "the place occupied by economic life in society" through the study of non-market societies.²⁸ His concern with the problems of socialist economics re-emerged only in his last years in his connection with the review *Co-Existence*, lectures in Hungary and Italy, and his influence on Paul Medow's work on the humanistic aspects of economic planning.²⁹

Between 1943-44 and 1947-48, therefore, there seems to have been a distinct shift in Polanyi's balance of interests. The discussion of pre-market economies is the least developed section of the argument in *The Great Transformation*, and the one which attracted least attention from R. M. MacIver in his introduction to the book, from reviewers, and in the extensive and enthusi-

1949); F. Simiand, "La Monnaie réalité sociale," *Annales Sociologiques* ser. D, 1 (1934), 1-58, with a discussion by Mauss *et al.*, 59-86. For the conception of the later Roman Empire as a "totalitarian" economy see the bibliography in F. M. Heichelheim, *Wirtschaftsgeschichte des Altertums II* (Leiden, 1948), 1123 f. (ch. 8, n.1), and T. Frank, *Economic Survey of the Roman Empire V* (Baltimore, 1940), 303.

27. B. Laum: *Stiftungen in der griechischen und römischen Antike* (Leipzig, 1914); *Heiliges Geld: Eine historische Untersuchung über den sakralen Ursprung des Geldes* (Tübingen, 1924); *Geschlossene Wirtschaft: soziologische Grundlegung des Autarkieproblems* (Tübingen, 1933). His *Schenkende Wirtschaft: nicht marktmässiger Güterverkehr und seine soziale Funktion* (Frankfort a. M., 1960) relates aid for underdeveloped countries to primitive gift-exchange. Cf. also below, n.157.

28. See the preface to *TM*.

29. The unpublished *Towards a New West* belongs to 1958, the work of organizing *Co-Existence* began in 1960. See Polanyi, "Il pensiero sovietico in transizione," *Nuova Presenza* 5 (Milan, 1962), 39-45; K. Levitt, *Co-Existence* 1 (1964), 113-121; Paul Medow, "The Humanistic Ideals of the Enlightenment and Mathematical Economics," *Socialist Humanism*, ed. Erich Fromm (New York, 1965), 376-387.

astic discussion of Allen M. Sievers (*Has Market Capitalism Collapsed?: A Criticism of Karl Polanyi's New Economics*).³⁰ Yet by 1948 Polanyi had already formulated the program of research into the origin of economic institutions (later "the economic aspects of institutional growth") which he worked on with a team of collaborators until the publication of *Trade and Market* in 1957.³¹

The change reflects the move to a country where anthropology had a much more important position than it had in pre-war Austria or wartime England; but it also reflects the move from a political world to an academic one.³² The relevance of Polanyi's economic anthropology to the problems of linking underdeveloped areas to the market system has been discussed by his follower George Dalton,³³ but Polanyi himself did not in his publications of the American period develop the implications of his theories for America's post-war problems. In *Trade and Market* only one chapter, that on the Berbers of the Moroccan highlands, is devoted to a modern society; the rest of the material is drawn from ancient Mesopotamia and Greece, the Aztec and Maya civilizations, eighteenth-century Dahomey, and pre-imperial India.

Polanyi's own work was concentrated on Mesopotamia, Greece, and Dahomey. He contributed chapters on Mesopotamia and Greece, as well as theoretical discussions, to *Trade and Market*. In the Oriental Institute symposium *City Invincible* (Chicago, 1960) he discussed Bronze-age methods of accounting in Mycenae and Alalakh (Syria), and Greek markets,³⁴ and he developed his ideas on the "port of trade" in an article "Ports of Trade in Early Societies" in the *Journal of Economic History* in 1963 (*Essays* 238-260). He also analyzed material on the history of Dahomey which he had been collecting from 1949 in the posthumously published *Dahomey and the Slave Trade* (Seattle, 1966).³⁵ Further discussions of his theoretical standpoint also appear in this work, as well as in the article "Anthropology and

30. New York, 1949. Polanyi is compared to Adam Smith and Marx.

31. TM in its published form dates mainly from the years after Polanyi's retirement in 1953; cf. the preface. He still published in 1947 an article on the views he had developed in GT, "Our Obsolete Market Mentality," *Commentary* 3 (1947), 109-117 (*Essays*, 59-77).

32. It also reflects, of course, the move to a world which was politically less liberal; Polanyi's wife, having belonged to a Communist party, was not allowed to enter America (they made their home in Canada).

33. "Traditional Production in Primitive African Economies," *Quarterly Journal of Economics* 76 (1962), 360-378; "The Development of Subsistence and Peasant Economies in Africa," *International Social Science Journal* 16 (1964), 378-389 (both reprinted in *TPE*). Cf. GT, 159 ff.

34. "On the Comparative Treatment of Economic Institutions in Antiquity, with Illustrations from Athens, Mycenae and Ak-Jakh," *City Invincible*, 329-350 (*Essays*, 305-334), with discussions 173-174, 186-187, 216-218.

35. "Sortings and 'Ounce Trade' in the West African Slave Trade," *Journal of African History* 5 (1964), 381-393 (*Essays*, 261-279), is a briefer version of *DST*, ch. 10.

Economic Theory" in *Readings in Anthropology II*, ed. Morton H. Fried (New York, 1959)³⁶ and in the paper "The Semantics of Money Uses," published in the journal *Explorations* in 1957 (Essays 175-190).

Before discussing systematically the different lines along which Polanyi's researches developed in his American years and assessing the value of his work and the validity of the criticisms brought against it, it may be useful to give a brief survey of related work carried on under Polanyi's influence, and of the main lines of the controversies he and his followers have aroused.

Polanyi's most enthusiastic disciples are George Dalton and Paul Bohannan. Dalton wrote his Ph.D. thesis on "Robert Owen and Karl Polanyi as Socio-Economic Critics and Reformers of Industrial Capitalism," and has expounded Polanyi's theoretical position in a number of articles; he contributed to the debate on the concept of surplus, and has followed Polanyi's lead in research on markets and primitive money.³⁷ Dalton and Bohannan jointly edited a volume, *Markets in Africa* (Evanston, Ill., 1962), which many would regard as the most important product of the Polanyi school.

Bohannan, following the lead of his Oxford teacher Franz Steiner, had been working independently on lines similar to Polanyi's in his study of exchange among the Tiv of central Nigeria.³⁸ Polanyi's influence is acknowledged in his 1959 article "The Impact of Money on an African Subsistence Economy."³⁹ He is largely responsible for developing the important conception of independent "spheres of exchange" in primitive economies: goods with high prestige value (e.g., cattle, slaves) move in a separate sphere of circulation and are not exchanged, except in emergency conditions, for commodities from a sphere with low prestige value, such as food. Although closely associated with both Polanyi and Dalton, he has not taken part in the controversy over Polanyi's views on the irrelevance of economic theory to economic anthropology, which was largely aroused by Dalton's articles in the *American Anthropologist*.

36. = *Semantics of General Economic History (Revised)* (New York, 1953); it is a slightly different version of "The Economy as Instituted Process," *TM*, 243-270.

37. Ph.D. (unpublished) Oregon, 1959. Cf. the articles cited above, n.33, and "A Note of Clarification on Economic Surplus," *American Anthropologist* 62 (1960), 483-490; "Economic Theory and Primitive Society," *ibid.* 63 (1961), 1-25; "Economic Surplus, Once Again," *ibid.* 65 (1963), 389-394; "Primitive Money," *ibid.* 67 (1965), 44-65 (in *TPE*); "Primitive, Archaic and Modern Economies: Karl Polanyi's Contribution to Economic Anthropology and Comparative Economy," *Essays in Economic Anthropology Dedicated to the Memory of Karl Polanyi, Proceedings of the 1965 Spring Meeting of the American Ethnological Society* (Seattle, Wash., 1965), 1-24 (revised version, *Essays*, ix-liv); "'Bridewealth' vs 'Brideprice,'" *American Anthropologist* 68 (1966), 732-737; Introduction to *TPE*.

38. Cf. Steiner, "Notes on Comparative Economics," *British Journal of Sociology* 5 (1954), 118-129; Bohannan, "Some Principles of Exchange and Investment Among the Tiv," *American Anthropologist* 57 (1955), 60-69.

39. *Journal of Economic History* 19 (1959), 491-503 (in *TPE*).

Marshall D. Sahlins, who was at Columbia University during Polanyi's time there, has not associated himself so closely with Polanyi's theoretical position, but has gone further than any other anthropologist in attempting to use and develop Polanyi's typology of economic patterns of organization. His use of the concepts of reciprocity and redistribution in the articles "On the Sociology of Primitive Exchange" and "Exchange-Value and the Diplomacy of Primitive Trade"⁴⁰ will be more fully discussed below. Other anthropologists in the United States who have shown interest in parts of Polanyi's work are Manning Nash and Cyril S. Belshaw.⁴¹ Reactions from anthropologists in Britain are now conveniently collected in *Themes in Economic Anthropology* (Association of Social Anthropologists, Monograph 6, London, 1967). Polanyi's institutional and operational approach is on the whole found congenial, but British anthropologists feel that they are, and should be, drawing nearer to economists in their interests and methods. In France, Polanyi's views have been extensively discussed by Maurice Godelier, *Rationalité et irrationalité en économie* (Paris, 1966),⁴² and have influenced the work of Claude Meillassoux on African markets and on the relation of primitive economies to social structure.⁴³ Discussions of economic anthropology in France are complicated by the desire to conform to structuralist method and Marxist theory, without clear guidance from either Lévi-Strauss or Marx.

Among sociologists, Neil J. Smelser discussed Polanyi's theories in an important review of *Trade and Market*,⁴⁴ and the modified version of Polanyi's typology of institutions which he put forward (reciprocity, redistribution, mobilization, market) was used by S. N. Eisenstadt in *The Political Systems of Empires* (Glencoe, Ill., 1963), and by Manning Nash, "The Organisation

40. "On the Sociology of Primitive Exchange," *The Relevance of Models for Social Anthropology*, ed. M. Banton (London, 1965; Monographs of the A.S.A., 1), 139-236; "Exchange-value and the Diplomacy of Primitive Trade," *Proceedings of the 1965 Spring Meeting of the American Ethnological Society*, 95-129. Cf. also "Political Power and the Economy in Primitive Society," *Essays in the Science of Culture in Honor of Leslie A. White*, ed. G. Dole, R. Carneiro (New York, 1960), 390-415; Sahlins, *Tribesmen* (Englewood Cliffs, N.J., 1968), 74-95.

41. Cf. especially Nash's "Economic Anthropology," *Biennial Review of Anthropology* 1965, 121-138, and *Primitive and Peasant Economic Systems* (San Francisco, 1966); Belshaw, *Traditional Exchange and Modern Markets* (Englewood Cliffs, N.J., 1965). For other work on markets see below, n. 74.

42. Pp. 232-293, "Objet et méthode de l'anthropologie économique" (= *L'Homme* 5 [1965], 32-91).

43. "Essai d'interprétation du phénomène économique dans les sociétés traditionnelles d'auto-subsistance," *Cahiers d'études africaines* 1.4 (1960), 38-67; *Anthropologie économique des Gouro du Côte d'Ivoire* (Paris, 1964). Meillassoux contributed to *Markets in Africa*, and announced a further program of study of African economic systems in *Africa* 36 (1966), 445.

44. "A Comparative View of Exchange Systems," *Economic Development and Cultural Change* 7 (1959), 173-182. See also Smelser, *The Sociology of Economic Life* (Englewood Cliffs, N.J., 1963).

of Economic Life," *Horizons of Anthropology*, ed. Sol Tax (New York, 1964), 171-180. Wilbert E. Moore and Bert F. Hoselitz have also been influenced to some extent by Polanyi in their work on economic sociology.⁴⁵ Polanyi's emphasis on the limitations of economic theory for the analysis of the economy in its social context, which has so disturbed anthropologists, is not considered either novel or controversial by sociologists. The criticism of Parsons' and Smelser's *Economy and Society* for interpreting all relations between parts of the social system in economic terms (input and output, etc.), put forward in *Trade and Market*, has not provoked any comment; this is perhaps a pity, since the role of economic analogies in social theory, in particular the extensive use of the concept of "equilibrium," needs critical examination.

Trade and Market attracted attention from students of Indian history through Walter C. Neale's chapter "Reciprocity and Redistribution in the Indian Village." Neale continued his study of the non-market character of the economy in pre-imperial India in *Economic Change in Rural India* (New Haven, 1962). The "port of trade" has been discussed in relation to Indian material by Anthony Leeds, who took part in Polanyi's Columbia research project; and Indian markets, again with reference to the Polanyi school, by D. P. Sinha.⁴⁶

Polanyi's impact on the study of the economic history of the ancient world will probably, in the long term, turn out to be more significant than his influence in economic anthropology. Harry W. Pearson has given a clear account in *Trade and Market* of the stalemate reached in the long-standing debate between "modernists" and "primitivists" over the character of the economic system of the classical world.⁴⁷ The imprecision of the terms in which the argument was conducted is well illustrated by Rostovtzeff's much quoted pronouncement that "by the Hellenistic period the economy of the ancient world was only quantitatively, not qualitatively different from that of modern times."⁴⁸ In such an atmosphere Polanyi's suggestion that the ques-

45. Cf. the papers of both in *Labor Commitment and Social Change in Developing Areas*, ed. Moore and Arnold S. Feldman (New York, 1960), and Moore's "Economic and Professional Institutions," *Sociology: An Introduction*, ed. Smelser (New York, 1967), 276-328. It is particularly clear in the case of Moore that to an American sociologist with a background of institutionalist economics Polanyi simply represents a convenient extension of familiar theories to the field of non-market economies. (Cf. also the review of *GT* by A. P. Usher, *Political Science Quarterly* 59 [1944], 630-631, and J. M. Clark, *Alternative to Serfdom* [New York, 1948], 5.)

46. A. Leeds, "The Port of Trade in Pre-European India as an Ecological and Evolutionary Type," *Proceedings of the 1961 Spring Meeting of the American Ethnological Society*, 26-48; D. P. Sinha, *Culture Change in an Inter-tribal Market* (Bombay, 1968).

47. Cf. also Ed. Will, "Trois quarts de siècle de recherches sur l'économie grecque antique," *Annales* 9 (1954), 7-22.

48. M. Rostovtzev, review of J. Hasebroek, *Griechische Wirtschafts- und Gesell-*

tion to be asked was not "What type of economy?" but "What kind of institutions, and how did they work?" brought a real breath of new life.

Polanyi's ideas have been transmitted through two ancient historians who took part in the Columbia research project, Moses Finley in Greek history and A.L. Oppenheim in Assyriology. Both were critical in their reception of Polanyi's interpretations: Finley declined to contribute to *Trade and Market*, and Oppenheim's chapter presents a rather different view of Mesopotamian society from Polanyi's. Nevertheless, the impact of Polanyi's ideas can clearly be seen in their work and, through their influence, in current orientations in the study of ancient economic history. Without their personal contact with Polanyi and interest in his views, it is likely that *Trade and Market* would have passed almost unnoticed by ancient historians.⁴⁹

Finley has been even more insistent than Polanyi on the non-market features of the Greek economy. Whereas Polanyi concentrated on the difference between Greek markets and modern ones, Finley stresses the minor importance of markets in the total pattern of production and economic transactions. Before joining Polanyi's Columbia research group he had already demonstrated by an analysis of mortgage documents that land in classical Athens, though freely alienable, belonged to a "prestige sphere" and not to the sphere of profit-making transactions in the market, and he has for many years studied the social, psychological, and economic implications of slavery; both these lines of research emphasize for the ancient world the distinction which Polanyi made in his survey of European economic history in *The Great Transformation*, and which was more clearly formulated later by Bohannan and Dalton in *Markets in Africa*, between the market for commodities and the market for the main factors of production, land and labor.⁵⁰ In closer

schaftsgeschichte (Tübingen, 1931), in *Zeitschrift für die gesamte Staatswissenschaft* 92 (1933), 333-339. The same formulation still occurs in anthropological discussions, e.g., *Themes in Economic Anthropology*, 97, 111. Note D. Dowd's more precise distinction between growth as quantitative change and development as qualitative change, *Journal of Economic History* 27 (1967), 552.

49. There were only three reviews of *TM* by ancient historians: F. M. Heichelheim, *Journal of the Economic and Social History of the Orient* 3 (1960), 108-110; W. F. Leemans, *Jaarbericht Ex Oriente Lux* 15 (1957-58), 203-204; and G.E.M. de Ste. Croix, *Economic History Review* 12 (1960), 510. Polanyi replied in "Ports of Trade in Early Societies," *Journal of Economic History* 23 (1963), 30-45 (= *Essays*, 238-260).

50. Cf. the discussion and bibliography of P. Vidal-Naquet, "Économie et société dans la Grèce ancienne: l'oeuvre de Moses I. Finley," *Archives européennes de sociologie* 6 (1965), 111-148. On land, *Studies in Land and Credit in Ancient Athens 500-200 B.C.: The Horos Inscriptions* (New Brunswick, 1952); "Land, Debt and the Man of Property in Classical Athens," *Political Science Quarterly* 68 (1953), 249-268; "Homer and Mycenae: Property and Tenure," *Historia* 6 (1957), 133-159; "The Alienability of Land in Ancient Greece," *Eirene* 7 (1968). On labor, "Was Greek Civilisation Based on Slave Labour?" in *Historia* 8 (1959), 145-162; "The Servile Statuses of Ancient Greece," *Revue internationale des droits de l'antiquité* 7 (1960), 165-189; "Between Slavery and

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association with the ideas of Polanyi, Finley has also developed the theme of reciprocity in the early economy of Greece in his study of Homeric society, *The World of Odysseus* (1954),⁵¹ and has polemized vigorously against the mistaken application of modern economic theory to ancient conditions.⁵² Recently he has named administered trade, the "port of trade," and market regulations in a list of suggestions for research put forward at the second international conference on economic history in 1962. Students under his supervision have worked on the economics of public building in Greece,⁵³ and on economic relations between Greece and Egypt and the organization of Naucratis as a "port of trade."

Polanyi's main effect on Oppenheim and other orientalists, on the contrary, has been to stimulate new research governed by the attempt to prove him wrong. He claimed to have discovered, apart from the generally "redistributive" nature of the economy (which was nothing new), a total absence of markets, and evidence for exchange at set equivalencies and for administered, risk-free, long-distance trade conducted by royal officials (the *tankāru*) at prices fixed by treaty. Oppenheim's general approach to his subject agrees with Polanyi's — he sees it as the task of the orientalist to draw on anthropology for new methods of interpretation and safeguards against the misuse of modern concepts. But he seems to feel, in common with other orientalists,⁵⁴ that although Polanyi's criticisms of the uncritical assumptions of the existence of market conditions were justified, he exaggerated the role of redistribution and of the palace and temple in the economic organization of ancient Mesopotamia. Oppenheim in *Trade and Market* denied that any period or area attested in cuneiform documents could be fully or adequately characterized as redistributive: "the entire development of Mesopotamian economy is marked

Freedom," *Comparative Studies in Society and History* 6 (1964), 233-249; "Technical Innovation and Economic Progress in the Ancient World," *Economic History Review* 18 (1965), 29-45; "La Servitude pour dettes," *Revue historique de droit français et étranger* 43 (1965), 159-184; "Slavery," *International Encyclopedia of Social Sciences* (1968) XIV, 307-313.

51. See also "Marriage, Sale and Gift in the Homeric World," *Revue internationale des droits de l'antiquité* 2 (1955) 167-194. The implications for Greek economic history of Mauss's *Essai sur le don* had previously been explored only by Louis Gernet (see the papers reprinted in Gernet, *Anthropologie de la Grèce antique* [Paris, 1968]).

52. Review of A. French, *The Growth of the Athenian Economy* (London, 1964), *Economic Journal* 75 (1965), 849; "Classical Greece," 2^e *Conférence internationale d'histoire économique, T. I. Trade and Politics in the Ancient World* (Paris, 1965), 11-35.

53. A. Burford, *The Greek Temple-Builders at Epidauros: A Social and Economic Study . . .* (Liverpool, in press).

54. Cf. Oppenheim, *Ancient Mesopotamia, Portrait of a Dead Civilization* (Chicago, 1964); M. E. Mallowan, "The Mechanics of Ancient Trade in Western Asia," *Iran* 3 (1965), 1-7; I. Gelb, "Approaches to the Study of Ancient Society," *American Oriental Society. Journal* 87 (1967), 1-8.

by continuous shifts in emphasis which bring now one and now another form of economic integration to the foreground without the others completely disappearing at any time" (TM 29). In reaction against Polanyi's overemphasis on the palace system, the best documented and most comprehensible aspect of the Mesopotamian economy, Oppenheim has tended to concentrate his own researches on the non-redistributive elements in the economic life of cities, and on the private activities of merchants as opposed to the "administered trade" emphasized by Polanyi.⁵⁵ A few references to market prices have been pointed out,⁵⁶ but the question of markets has not been fully discussed; and there has been no serious discussion of Polanyi's theories on the economic and political characteristics of the "port of trade." The results of the research of R. G. Sweet on "Moneys and Money Uses in the Old Babylonian Period," a study under Polanyi's influence, supervised by Oppenheim,⁵⁷ have not yet appeared. Polanyi's influence in this field could perhaps fairly be summed up by saying that although he may have generalized too hastily, he has made orientalist look at their material with a sharper eye for the details of institutional and operational problems and with fewer preconceived ideas.

I shall only indicate briefly here the main directions of criticism and opposition to Polanyi's views, which will be discussed more fully in the second part of this paper. Dispute has mainly centered round the question of the applicability of modern economic theory to non-market economies.⁵⁸ I hope that the biographical details given above may help to suggest that if Polanyi's opinions on this subject are seen in their historical context, they do not appear so perverse as some participants in the controversy have thought them. A more interesting discussion, which is still in its early stages, is arising from the divergence between Polanyi's approach to primitive economics and Marxist theory (cf. below, p. 203). Starting from the attack in *Trade and Market* on the notions of "scarcity" and "economic surplus" as existing independently of cultural definition, this debate is now widening to include the

55. Already in "The Sea-faring Merchants of Ur," *American Oriental Society. Journal* 74 (1954), 6-17; also *Ancient Mesopotamia*, ch. 2, and "A New Look at the Structure of Mesopotamian Society," *Journal of Economic and Social History of the Orient* 10 (1967), 1-16.

56. *Ancient Mesopotamia*, 129; H. W. Saggs, *The Greatness That Was Babylon* (New York, 1962), 279-280.

57. Cf. Polanyi, "Ports of Trade in Early Societies," *Journal of Economic History* 23 (1963), 41.

58. Bibliography to 1965 in *Themes in Economic Anthropology* (cf. above, p. 177). Add Scott Cook, "The Obsolete 'Anti-Market' Mentality: A Critique of the Substantive Approach to Economics," *American Anthropologist* 68 (1966), 323-345, and Frank Cancian, "Maximization as Norm, Strategy and Theory: A Comment on Programmatic Statements in Economic Anthropology," *ibid.*, 465-470; Godelier, *Rationalité et irrationalité*.

general orientation of Polanyi's economic analysis, based on patterns of allocation instead of relations of production. The idea was not new that in societies with primitive techniques of production, and limited facilities for transport, exchange, and storage, disbursal of wealth may be more significant than accumulation, and economic competition may be directed to control over persons rather than over land, capital, and equipment;⁵⁹ but Polanyi has gone further than any of his predecessors toward developing a theory of comparative economics, and in particular the relation of economic institutions to social structure, centered on allocation. In so doing, he presented the question of the relevance of Marxist theory to primitive economic systems in a sharper form.

In general, the reaction to Polanyi's work has been to follow up his initiative in research into specific institutions — markets, money, and so forth — with little criticism of his own views on these topics, and to attack his general theoretical position often in a rather superficial manner, without touching the fundamental questions of the method needed for the comparative study of economic institutions in their social context. Little can be said about the latter here. But even in his discussion of individual forms of economic organization, such as the market or the port of trade, Polanyi raised wide issues which are worth more examination than they have so far received. In the second part of this article I shall discuss Polanyi's ideas in three groups: (1) the use in non-market economies of forms of economic organization typically associated with the modern market system, (2) economic theory, especially the concepts of surplus and scarcity, and (3) Polanyi's four categories of institutional patterning of the economy: reciprocity, redistribution, householding, and (market) exchange.

II

1. MONEY, MARKETS, AND TRADE.

It was an important part of Polanyi's campaign against the misapplication of modern economic theory to show that the presence of money, markets, or other economic institutions with the function of regulating trade or organizing complex movements of goods, could find a place in non-market economies as well as in a market system of the modern type.⁶⁰

Money and Accounting Devices

Polanyi discussed money in his article "The Semantics of Money Uses" (*Explorations* [Toronto] 1957; *Essays*, 175-203) and in the final chapter

59. Cf. L. Mair, "The Growth of Economic Individualism in African Society" (1934), in Mair, *Studies in Applied Anthropology* (London, 1957), 23-31.

60. *GT*, 64 ff.; *TM*, 256 ff.; *DST*, xxiii.

of *Dahomey and the Slave Trade*. The former article remained almost entirely unknown until the publication of his *Essays*. In it Polanyi argued that the three uses of money — as a medium of exchange, as a standard of value, and as a means of payment — are not necessarily interconnected. They may arise independently, and different currencies may be used for the different purposes. In particular it is a grave mistake, a misunderstanding arising from the modern experience and theory of money, to assume that the exchange use of money is historically prior to its other uses. This point has been made independently by others;⁶¹ but Polanyi further insisted that it is possible not only for money to be introduced in societies where it has no exchange use, or an exchange use only within a limited sphere,⁶² but also for currencies and accounting devices of a considerable elaboration to develop, without implying any tendency in the societies concerned to move toward a market economy of the modern type. This had indeed happened in the "redistributive" economies of ancient Mesopotamia and the kingdom of Dahomey. In his article for the symposium *City Invincible* Polanyi argued that in the ancient Near East barley was used in payments, and silver as a money of account, without either developing into an exchange currency;⁶³ and he drew attention to the method of "staple accounting" at Mycenae, by which taxes were assessed in units of staple goods (corn, wool, oil, etc.) levied on a set measure of land, without the need for a common money of account. In *Dahomey and the Slave Trade* he asserted that the cowrie currency of Dahomey, with its elaborate series of strings of shells forming different "denominations," was the creation of the state. The formation of the currency system and the setting of fixed equivalencies went together, and both were closely connected with the organization of tax collection and of payments (rations) to soldiers and other state employees. Cowrie money in Dahomey was also obligatory in the local food markets, and legend ascribed the creation of both money and markets to the same king.

61. In ancient history C. M. Kraay, "Hoards, Small Change and the Origin of Coinage," *Journal of Hellenic Studies* 84 (1964), 76-91; cf. P. Vidal-Naquet, "Fonction de la monnaie dans la Grèce archaïque," *Annales* 23 (1968), 206-208. Éd. Will, "De l'aspect éthique des origines grecques de la monnaie," *Revue historique* 212 (1954), 209-231, and "Reflexions et hypothèses sur les origines du monnayage," *Revue numismatique*, sér. 5, 17 (1955), 5-23, also stressed the non-commercial features of early Greek coinage (following Laum, cf. no. 27, 154; see also L. Gernet, "La Notion mythique de la valeur en Grèce," *Journal de psychologie* 41 [1948], 415-462). He particularly emphasized taxation and the early function of money as a standard of value in judicial contexts. See also *Moneta e Scambi nell' Alto Medioevo* (Spoleto, 1961), esp. 341-362, P. Grierson, "La Fonction sociale de la monnaie en Angleterre aux 7^e-8^e siècles."

62. Cf. Bobannan, "Principles of Exchange and Investment Among the Tiv" (cit. n. 38); Mary Douglas, "Primitive Rationing: A Study in Controlled Exchange," *Themes in Economic Anthropology*, 119-147; Godelier, *Rationalité et irrationalité*, 274 ff.

63. Cf. M. Lambert, "L'Usage de l'argent-métal à Lagash au temps de la III^e dynastie d'Ur," *Revue d'assyriologie* 57 (1963), 79-92, 193-200.

"Exchange [as a use of money] develops not from random barter acts of individuals but in connection with organized external trade and internal markets" (*Essays*, 195). A thorough analysis of the role of the state in the development of money and markets in Dahomey would require a detailed comparison with the economic institutions of other West African societies. Polanyi's treatment is impressionistic, but his insights are worth pursuing. The institutional history of cowrie money and the relation between markets, money uses, and the economic functions of the state all need further research. (One may note in comparison that in medieval Europe the right to hold markets and to coin money were often granted together.)

Markets.

Given Polanyi's deep-rooted opposition to the old idea that man has "an innate tendency to truck, barter and exchange one thing for another," the existence of markets in comparatively primitive economies was bound to be a problem to him. In *The Great Transformation* he was more concerned with showing that local markets were unimportant in the rise of capitalism than with the working of the primitive market as such; he dismissed markets in pre-industrial societies as subsidiary features of the economy, isolated from each other and hemmed in by tabus and restrictions, so that their influence could not spread. Following Bücher and Thurnwald he classified the ancient Greek economy as a householding system, although he sketched the idea, developed further in *Trade and Market*, that Aristotle's distinction between *oikonomia* and *chrematistikê* (production for use and production for gain) was a recognition of the contrast between the embedded economy and the disembedded market system, and he had some hesitation about the importance of markets and trade in the classical world — Aristotle "failed to see how impracticable it was to ignore the existence of markets at a time when Greek economy had made itself dependent upon wholesale trading and loaned capital. For this was the century when Delos and Rhodes were developing into emporia of freight-insurance, sea-loans, and giro-banking, compared with which the Western Europe of a thousand years later was the very picture of primitivity."⁶⁴ There is clearly a problem here, which could not be resolved merely by remarking that "the Greco-Roman period . . . was characterised by

⁶⁴ *GT*, 61; influence of the "Modernist" school in ancient economic history, especially, probably, F. Heichelheim, *Wirtschaftsgeschichte des Altertums* (Leiden, 1938), ch. 7, "Die Zeit von Alexander bis Cäsar," and *Wirtschaftliche Schwankungen der Zeit von Alexander bis Augustus* (Jena, 1930). On Greek banking see now R. Bogaert, *Les Origines antiques de la banque de dépôt* (Leiden, 1966), and *Banques et banquiers dans les cités grecques* (Leiden, 1968).

the grand scale on which redistribution of grain was practised by the Roman administration in an otherwise householding economy."

Markets are discussed in *Trade and Market* in Francisco Benet's chapter "Explosive Markets: the Berber Highlands"⁶⁵ as well as in Polanyi's "Aristotle Discovers the Economy." The markets of the highland Berber of the Atlas were price-making markets, but rigidly limited in their sphere of influence. All but the smallest debts had to be settled by the close of the day's trading, and the groups who met under the protection of the "peace of the market" were frequently at feud, and had little contact outside these meetings. Economic relations within the group (village or canton) were based on reciprocity.⁶⁶ As an institution serving predominantly to integrate exchange between members of different groups, this type of market has some features in common with the port of trade, to which we shall return later. Benet's account emphasizes the contradiction between reciprocity and market exchange, which is resolved by strict separation of the physical locations — village and market — in which the two patterns of behavior are applicable. If this were not the case "these contraries would come to a head-on collision." This point again is significant for Polanyi's view of the port of trade as a mechanism for limiting contact between incompatible economic systems. Benet also brings out the "disembedded" nature of transactions in the market: "markets are here external places for exchanges between individuals who are shedding the corporate personality of which they were a part within township and village" (*TM* 212-213).

Both these themes recur in Polanyi's discussion of classical Athens in *Trade and Market*. The contradiction between reciprocity and market exchange is reflected in Aristotle's contrast between natural and unnatural exchange. Natural exchange is an arrangement for sharing (*metadosis*) between producers, while the activity of the professional trade or shopkeeper, who does not produce, is unnatural. His way of life, being directed to the acquisition of wealth (*chrematistikê*) instead of the satisfaction of concrete household needs and the maintenance of neighborly relations, foreshadows the disembedding of the economy.⁶⁷ In Polanyi's view this tendency toward the disembedding

65. Cf. Benet, "Weekly Suqs and City Markets: The Transition from Rural Suq Economy to Market Economy" in *Research for Development in the Mediterranean Basin, A Proposal*, Mediterranean Social Science Research Council, ed. C. A. O. Van Nieuwenhuijze (The Hague, 1961), 86-97.

66. It was, however, as is shown by R. Maunier, "Recherches sur les échanges rituels en Afrique du Nord," *Année sociologique*, sér. 2, 2 (1924-25 [1927]), 11-97, a very calculating form of reciprocity.

67. *TM*, 68ff. Polanyi's distinction is explicitly related here to Tönnies' *Gemeinschaft* and *Gesellschaft* and Maine's "status" and "contract," with Hegel and Marx associated with the "sociological background" of the distinction.

of the economy was not fully realized in classical Greece because there were few markets outside large towns, overseas trade and market were kept separate, trade prices were regulated by treaty, and market prices were set by authority or at least stabilized by pressure to adhere to the norm of the "just price."⁶⁸ However, in Aristotle's time there was a significant increase in attempts to make profits on price fluctuations. "The sharp eye of the theoretician had discerned the links between the petty tricks of the huckster in the *agora* and novel kinds of trading profits that were the talk of the day. But the gadget that established their kinship — the supply-demand-price mechanism — escaped Aristotle. The distribution of food in the market allowed as yet scant room to the play of that mechanism; and long-distance trade was directed not by individual competition but by institutional factors. Nor were either local markets or long-distance trade conspicuous for the fluctuation of prices. Not before the third century B.C. was the working of a supply-demand-price mechanism in international trade noticeable. This happened in regard to grain, and later, to slaves, in the open port of Delos. The Athenian *agora* preceded, therefore, by some two centuries the setting up of a market in the Aegean which could be said to embody a market mechanism. Aristotle, writing in the second half of this period, recognized the early instances of gain made on price differentials for the symptomatic development in the organisation of trade which they actually were."⁶⁹

Polanyi did not discuss the question of restrictions surrounding the market in this section of *Trade and Market*, but he made it the focal point of his treatment of classical Athens in *City Invincible*, where he argued that the Greek *agora* was not "the germ of an institution capable of linking up with similar entities to form a market system of limitless scope," but was strictly limited by the laws of the city it served and the refusal of the Greek cities to relax their discrimination between citizen and non-citizen. But in the discussion which followed, J. A. O. Larsen showed that Polanyi's view of the control exercised over the market was greatly exaggerated; foreigners were not barred from selling in the Athenian *agora*, and there is little evidence of price control.⁷⁰

Although Polanyi's emphasis on price control was important in pointing out a topic which had hardly been touched by research, he was probably wrong in regarding fixed prices as a major difference between primitive and modern markets. His claim that where prices are fixed exchange is integrated by the price-fixing authority and not by the market mechanism seems to hint at an

68. See especially Polanyi's paper in *City Invincible (Essays, 306-334)*.

69. *TM*, 87. The weakness of this account of the Greek economy is mainly due to a confusion between the disembedding (structural differentiation) of the economy and the formation of a system of interconnected price-making markets.

70. *City Invincible*, 216-218.

analogy between the fixed prices in primitive markets and the planned economy of the modern socialist state⁷¹; but this analogy cannot be maintained. The major distinction between the modern economy (capitalist or socialist) and that of earlier or less developed societies is that exchange prices in the latter, whether fixed or bargained, have little connection with production decisions. Polanyi himself made a "modernist" error in supposing that the process by which prices are decided is in all markets, and in all societies, related to the integration of "the economy" as a whole. Bohannan and Dalton showed in their introduction to *Markets in Africa* that the main distinction between the peripheral markets of the primitive economy and the modern market system is that prices in peripheral markets have little or no feedback effect on production decisions. The peripheral market is isolated from other markets by poor communications, and insulated from affecting production decisions by an agricultural context in which the bulk of the harvest is consumed by the producer, by reluctance to depart from traditional patterns of production and by the fact that land and labor are not transacted in the market. Limited storage facilities as well as transport difficulties restrict the trader's opportunities of profiting from price fluctuations.⁷² Whether prices in peripheral markets are fixed by authority, held level by just price norms, or freely bargained does not in such conditions much affect their inefficacy in altering the flow of supply.

Polanyi, however, held also that fixed prices were essentially different from bargained ones in that the latter involve an inescapable element of antagonism. "No community intent on protecting the fount of solidarity between its members can allow latent hostility to develop around a matter as vital to animal existence, and, therefore, capable of arousing as tense anxieties as food. Hence the universal banning of transactions of a gainful nature in regard to food and foodstuffs in primitive and archaic society. The very widely spread ban on higgling-haggling over victuals automatically removes price-making markets from the realm of early institutions."⁷³ This is a question which would deserve more research, and suggests that the work which has recently been done on primitive and peasant markets by social anthropologists⁷⁴ might usefully be

71. *TM*, 255.

72. Cf. also M. R. Solomon, "The Structure of the Market in Underdeveloped Economies," *Quarterly Journal of Economics* 62 (1948), 519-541; Bert F. Hoselitz, "The Market Matrix," *Labor Commitment and Social Change* (cf. n.45), 217-237.

73. *TM*, 255.

74. See especially *Markets in Africa; Capital, Saving and Credit in Peasant Societies*, ed. R. Firth and B. S. Yamey (London, 1964); S. W. Mintz, "Internal Market Systems as Mechanisms of Social Articulation," *Proceedings of the 1959 Spring Meeting of the American Ethnological Society*, 20-30; G. W. Skinner, "Marketing and Social Structure in Rural China," *Journal of Asian Studies* 24 (1964-65), 3-43, 195-228, 363-399; M. Nash, "Economic Anthropology," *Biennial Review* 1965, 125-127.

supplemented by a more psychological or cultural-anthropological study of attitudes toward market transactions and of the relation of haggling to other competitive or agonistic culture traits.⁷⁵ Considerable progress has been made in the last few years in studying markets, but much work remains to be done on fixed prices, just price norms, sellers' price-setting decisions in price-making peripheral markets, devices for control in situations of scarcity,⁷⁶ and the like. The antithesis between "fixed prices" and haggling is in any case illegitimate, since it ignores the common case in which the seller sets a price in accordance with his assessment of the conditions in the market, but does not bargain individually with customers. A full discussion of the subject should take into account prices for services as well as for goods sold in the market; indeed selling in the market may in many societies be regarded more as the provision of a service than as an entrepreneurial activity.⁷⁷ This is an obvious case for asking whether modern economic categories are applicable to all cultures.

If we leave aside for the moment monopolistic price-fixing of what Polanyi called "administered trade," and consider only internal markets, we find that fixed prices may be fixed either by group action among sellers or by the market authority in consultation with sellers. They may be fixed either absolutely or relatively; in classical Athens the price of flour and of bread was fixed by law in relation to that of corn, but the latter was not fixed.⁷⁸ The fixed prices of West African markets are fixed by the associations of sellers of each article at each market; the fixing has no apparent connection with keeping prices stable in the long run, but only ensures that sellers do not undercut each other.⁷⁹ In Tang China prices were fixed by market officials, in consultation with traders' associations, for ten-day periods; detailed lists of prices for

75. Victor C. Uchendu, "Some Principles of Haggling in Peasant Markets," *Economic Development and Cultural Change* 16 (1967), 37-50, makes some useful preliminary distinctions. *Cooperation and Competition Among Primitive Peoples*, ed. M. Mead (New York, 1937), deals with marketless societies.

76. For temporary price-fixing in periods of scarcity cf. *Markets in Africa*, 196, 422; M. Gluckman, *The Ideas in Barotse Jurisprudence* (New Haven, 1965), 190-192.

77. As Polanyi stressed, the sale of cooked food plays an important part in many primitive markets. In Dahomey wholesalers watched the market and adjusted their prices to leave the market women a 20% mark-up (M. Herskovits, *Dahomey, an Ancient West African Kingdom* [New York, 1938] I, 55).

78. Aristotle, *Athēnaiōn Politeia* 51.3. Cf. Henri Francotte, "Le Pain à bon marché et le pain gratuit dans les cités grecques," *idem, Mélanges de droit public grec* (Liège, 1910), 291-312. For fixed prices, E. Schulhof, P. Huvelin, "Fouilles de Delos (1905): Inscriptions. Loi réglant la vente du bois et du charbon à Delos," *Bulletin de correspondance hellénique* 31 (1907), 46-93; M. Feyel, "Nouvelles inscriptions d'Akraiphia," *ibid.* 60 (1936), 27-36.

79. P. T. Bauer, *West African Trade* (Cambridge, 1954), 391. The studies in *Markets in Africa*, however, show that there is considerable local variation in the degree of formal organization of associations and pricing.

high, medium, and low qualities of each article were published. These prices formed the basis for legal assessments of damages, rates at which the government purchased goods, tax equivalencies, etc., as well as introducing order into the market. (Chinese mandarins shared Polanyi's low opinion of markets.) The government would on occasion throw some of its own stocks of grain or other goods on to the market to bring prices down — which shows that market prices, although "fixed" were regarded as indicating the state of supply, and that there was no question of regulating production by fixing prices in the market.⁸⁰ The Athenian state had no stocks of its own for such an operation; but if the price of corn rose too steeply, a relief fund would be opened and the money subscribed would be used to purchase corn at the current market price and resell it at the "normal" price.⁸¹

Thus although the Chinese material reveals a feeling that markets are disorderly places which must be strictly policed and will be more orderly if bargaining is eliminated, and the West African situation perhaps reflects the sellers' fear of getting the worst of it in haggling,⁸² fear of aggressive and anti-social behavior is clearly not the only factor involved in price-fixing. Long-term fixing seems to be unusual, although in South Dahomey the women's "rings" are counterbalanced by a male association which has to give formal consent before any major change can be made in the amount of goods sold for a particular price.⁸³ These changes are regularly made with the seasons, and it is significant that price alterations are expressed as changes in volume rather than changes in price. There is ample evidence that minor price fluctuations in peripheral markets often take this form. Extension of credit is another way of introducing more flexibility into transactions at a "fixed" price; both quantity variation and credit are important ways of favoring regular customers and fulfilling "reciprocal" obligations while still nominally adhering to the market principle of the same terms for all comers.⁸⁴

Social sanctions in enforcing the "just price" are probably more important than formal price-fixing in stabilizing prices. Like the fixed price, the just price is a market price — the normal market price for the place and the season, "*secundum forum commune*" as the medieval theologians said — the price

80. Denis Twitchett, "The T'ang Market System," *Asia Major* 12 (1966), 202-248. *Idem*, "Merchant, Trade and Government in Late T'ang," *ibid.* 14 (1968), 63-95.

81. Cf. Francotte, *op. cit.*

82. But this is seen as a group situation rather than an individual one.

83. C. and C. Tardits, "Traditional Market Economy in South Dahomey," *Markets in Africa*, 89-102.

84. S. W. Mintz, "Pratik: Haitian Personal Economic Relationships," *Proceedings of the 1961 Spring Meeting of the American Ethnological Society*, 54-63; P. T. Bauer, *Capital, Saving and Credit* (cit. n.74), 383; Edwin R. Dean, "Social Determinants of Price in Several African Markets," *Economic Development and Cultural Change* 11 (1962-63), 239-256 (a study of the influence of tribal affiliations, age, and sex, not personal ties); Uchendu, "Some Principles of Haggling" (cit. n.75).

which gives the trader a fair return on his costs but protects the customer from fraud, greed, or monopoly.⁸⁵ In markets where higher prices will not call forth increases in supply, some mechanism to prevent traders exploiting situations of scarcity or monopoly is essential. It was not an increase in profit-making on differences in price between different markets which worried Aristotle, but the exploitation of scarcity. In the Athenian case cited above, the merchants' prices need not be regarded as unjust (though accusations of infringing market regulations were likely to be frequent in times of corn shortage), but the high prices are contrasted with the *normal* price;⁸⁶ popular pressure forces the state to take action, but not against the trader, who still receives his full price. Nevertheless, the fact that sanctions can be exercised against sellers who charge an "unjust" price puts pressure on them to keep prices level as far as they can. But with the just price the emphasis is not on the hostility aroused in bargaining, but on preventing the exploiting of the customer by the seller. The conception of the just price is closely linked with the publicity, supervision, standard weights and measures, and administration of justice provided by the market. The just price does not vary with the status and relationship of buyer and seller, and the same is true of the law of the market, where the market has its own machinery for settling disputes.⁸⁷ Thus, although the just price may be seen as society's reaction against allowing free play to the forces of the market, or at least to the acquisitive motives of the trader, it can also be seen as an important step on the path from *Gemeinschaft* to *Gesellschaft*. It seems possible that the medieval serf or Greek freedman would have regarded bargaining in the market as a welcome liberation from the disabilities of his status rather than a threat to social harmony.

A further line of research into methods and effects of price control might lead one to enquire how far set equivalencies in societies without markets (in reciprocal exchange, ceremonial payments, etc.) are associated either with flexibility in the length of time allowed before the return payment must be made, or with exchanges and payments which only take place at certain sea-

85. John W. Baldwin, *The Medieval Theories of the Just Price* (Transactions of the American Philosophical Society 1959, 4); R. de Roover, "Monopoly Theory Prior to Adam Smith: A Revision," *Quarterly Journal of Economics* 65 (1951), 492-524; B. Dempsey, *Interest and Usury* (London, 1948).

86. The speaker in Demosthenes 34.39 emphasizes his generosity in selling voluntarily τῆς καθεστηκυίας τιμῆς, for 5 drachmai, and not at the market price of 16 dr.; the καθεστηκυία τιμή therefore is not a fixed price, though it may be the price "set" by the state on this occasion for re-selling corn purchased with its own funds. Ἐστηκυία τιμή as fixed (maximum) price occurs in *P. Teb.* 703, 174-181; cf. C. B. Welles, *Journal of Juristic Papyrology* 3 (1949), 34, n.71 (a reference I owe to O. Murray).

87. Cf. P. Havelin, *Essai historique sur le droit des marchés et des foires* (Paris, 1897), esp. 194 ff., 383 ff.; Henri Laurent, "Droit des foires et droits urbains aux 13^e et 14^e siècles," *Revue historique de droit français et étranger sér. 4*, 11 (1932), 660-710.

sons of the year.⁸⁸ Is a fluctuating price system a more efficient way of organizing all-the-year-round exchange? Following Polanyi's lead in his paper "The Semantics of Money Uses," one must also distinguish carefully between price-fixing in exchange and in *payments* (fines, religious dues, taxes, etc.). The question of treaty prices in "administered trade" also needs further enquiry. Little evidence so far has been collected about treaty prices and the procedure for setting and adjusting them, and one would like to know how far the rulers who set the prices also controlled production or supply of the goods concerned. This problem, however, like that of the legal and religious restrictions surrounding the market, and of the separation of market transaction from reciprocal or other contexts, requires that the port of trade as well as the market should be brought into the discussion.

Ports of Trade

The port of trade is Polanyi's name for a settlement which acts as a control point in trade between two cultures with differently patterned economic institutions — typically, between a market and a non-market economy, or rather between a non-market society and professional traders, who may belong to the market pattern even if the society from which they come, as a whole, does not.⁸⁹ The port of trade may be independent of both societies involved in the exchange, as in the case of the Phoenician ports of antiquity which, Polanyi argues, were not incorporated into the empires of the great powers of the hinterland because they recognized the "cultural perils" of too close a contact with trade (*TM* 60); it may be controlled by the trading power, as in the case of the Assyrian trading colonies in Asia Minor in the second millennium B.C., some of the Aztec ports of trade, and many European colonies later;⁹⁰ or it may be controlled by the land power, as in the relation between Dahomey and Whydah discussed by Rosemary Arnold in *Trade and Market* and by Polanyi in *Dahomey and the Slave Trade*, or between the Indian ports and inland capitals described by Leeds.⁹¹ The last type was the one which most interested Polanyi. He saw the port of trade controlled by a non-market power as a device which shielded the controlling state from influences which would otherwise have disrupted its economy and society. "Trade was here treaty-based,

88. M. Sahlins, "Exchange-value and the Diplomacy of Primitive Trade" (cit. n.40) raises other questions about the study of "prices" in gift-exchange.

89. But in his article on the port of trade (see n.49), Polanyi classes the medieval European *portus* also as a port of trade. Cf. Max Weber, *Wirtschaftsgeschichte* (Munich, 1923), 188 ff. (= *General Economic History* [Glencoe, Ill., 1950], 213 ff.).

90. Belshaw, *Traditional Exchange and Modern Markets*, 92 ff.

91. Cf. n.46 above.

administered, as a rule, by special organs of the native authorities, competition was excluded, prices were arranged over long terms. Ports of trade usually developed in politically weak spots, such as small kingdoms near the coast, or chieftains' confederacies, since, under archaic conditions, strangers shunned territories that were incorporated in military empires. To the hinterland empires the 'ports' served as a 'bread basket,' that is, a source of supply. Even powerful rulers were wary of laying their hands on the 'port' lest foreign traders and strangers shy off and trade suddenly dry up. Independent trade areas of this kind, harboring numbers of warehouses, storing the goods of distant peoples, while the local population of the area itself did not engage in trading expeditions, have been found to exist in widely different parts of the globe."⁹² "The port of trade offers military security to the inland power; civil protection to the foreign trader; facilities of anchorage, debarkation and storage; the benefit of judicial authorities; agreement on the goods to be traded."⁹³

The essential features of the port of trade are that it stands as a "buffer," both politically and economically, between the trader and the hinterland whose products he wishes to buy; that trade is strictly supervised and confined to official channels (traders' movements are also frequently supervised and restricted); and that in consequence local market exchange and the long-distance trade are kept completely separate.

Polanyi here has certainly pointed to some important features of "archaic" trade, but his explanation of them is not entirely convincing. Robert B. Revere's discussion in *Trade and Market* of the port of trade as a no-man's-land or buffer state,⁹⁴ though it started from a suggestion by Polanyi that he should study "Archaic Thalassophobia," fails to take into account two obvious features of Bronze-age civilization in the Mediterranean: that sea-power was of no military importance,⁹⁵ and conversely that a fortified coastal city was almost impregnable. It was difficult to take a fortified city except by siege, and a coastal city could not be cut off from all sources of supply;⁹⁶ and since coastal

92. *TM*, 116.

93. *TM*, 263.

94. "No Man's Coast: Ports of Trade in the Eastern Mediterranean," *TM*, 38-63.

95. On Hittite attitudes to the sea see now H. A. Hoffner, Jr., *American Oriental Society Journal* 87 (1967), 182; on Bronze-age Crete, C. G. Starr, "The Myth of the Minoan Thalassocracy," *Historia* 3 (1955), 283-291. Even in the fifth century the Athenians failed to demonstrate that sea-power could prevail against land-power, and it is not clear that Pericles aimed to do more than show Sparta that Athens was invulnerable (Thucydides ii.65.7). Alexander conquered a large part of the Persian empire without having control of the sea. See further A. Momigliano, "Sea-power in Greek Thought," *Secondo Contributo alla Storia degli Studi Classici* (Rome, 1960), 57-67.

96. Herodotus v.36; Thucydides i.143.3-5. The account of the campaign of Sphacteria, Thucydides iv.26, shows how difficult it was for ancient warships to keep up a blockade.

cities were of little strategic importance to great land powers like the Assyrians or the Hittites, there was no pressing need to subdue them. Tribute from coastal cities was of course welcome, and could often be exacted by threats of force, but the fruits of trade were still of minor importance compared with grain and manpower. Where ports of trade were controlled by the inland power, they remained peripheral because trade was peripheral; the inland capital continued to be the central focus of political and military preoccupations and power.

It seems doubtful, therefore, whether neutrality or distance from the main centers of power is an essential aspect of the economic functioning of the port of trade. It is true, however, that even if not strictly neutral, it has an administration of its own which differs in some respects from that of the hinterland. In this it resembles many markets and especially fairs, which share features both with the market and with the port of trade.⁹⁷ Revere suggests that the port of trade originated in the neutral meeting place where silent trade or simple forms of barter were carried on; it used to be commonly assumed that markets, too, began as neutral meeting places outside city walls, and sometimes even on frontiers.⁹⁸ This need not be true of all markets,⁹⁹ but it is undoubtedly true of many; and in studying restrictions, tabus, and special legal institutions associated with markets it is essential to distinguish inter-state markets from those which predominantly serve only a single community. Polanyi's insistence on the restrictions surrounding markets and ports of trade was a valuable insight, but many aspects of the problem have to be studied before we can see how far these restrictions reflect a fear of, or instinctive reaction against, the beginnings of a disembedded economy.

In the first place, inter-state markets and ports of trade are areas where men from different communities meet. This is likely to create tensions (cf. the Berber markets described in *Trade and Market*), and it obviously creates legal problems. A judicial authority which all will accept, and which will settle dis-

97. *Société J. Bodin. Recueils 5* (1953), *La Foire*.

98. E.g., Karl Bücher, *Die Entstehung der Volkswirtschaft* (3d ed. Tübingen, 1901), 69 ff.; P. J. Hamilton Grierson, *The Silent Trade* (Edinburgh, 1903); U. v. Wilamowitz-Moellendorff, "Der Markt von Kekrops bis Kleisthenes," *Aus Kydathen* (Berlin, 1880), 195-202; K. Lehmann-Hartleben, *Die antiken Hafenanlagen des Mittelmeeres* (Leipzig, 1923), 14 ff., 31 ff.

99. The Greek *agora* was both assembly place and market, a central focus of the life of the city. And the city was not marked off from the countryside by a different political and juridical status: there was no distinction between *castrum* and *bourg*. The medieval model of the market which springs up outside the city is not applicable here. The oriental equivalent of the Greek *agora*, however, seems to have been just outside the city gates; cf. W. Seston, "Des Portes de Thugga à la constitution de Carthage," *Revue historique* 237 (1967), 277-294; *idem*, "Remarques sur les institutions politiques et sociales de Carthage . . ." *Académie des inscriptions et belles lettres. Comptes rendus* 1967, 218-233. Assyrian sources refer to selling at the gates of the city.

putes on the spot, is a necessity. In the port of trade, restriction on foreigners' movements may be required to prevent them from outraging local custom, from being mobbed,¹⁰⁰ or from acting as spies. Since the port or market authority is responsible for disputes arising from traders' transactions, it may, not unreasonably, require them to make these in an approved place and form.¹⁰¹ A further reason for supervision is that taxes and dues are commonly collected in markets and on long-distance trade. None of these factors — and together they account for many features of the market and port of trade — is connected with the question of the effects on local economic institutions of allowing unrestrained movement to traders and their goods.

I have discussed the port of trade and the market together because, although Polanyi stresses their separation, he applies to both the same argument that these specialized institutions devoted to exchange are not necessarily to be understood as features or harbingers of a modern market economy, but may be surrounded by restrictions which insulate the institutions of a non-market economy from their influence. In the case of markets, recent studies of peasant economies suggest that restrictions surrounding markets are not an important cause of their failure to expand; the determining factors are transport and communications, and opportunities for wage labor and cash cropping. The feeling of conflict between reciprocal obligations and market trade can be mitigated by compromise.

The port of trade, as a mechanism for transferring goods from one system to another, has positive qualities as well as the more negative function of limiting contacts. It is typically associated with redistributive systems, and typically involves the collection of commodities which lend themselves to political control (corn, slaves, precious metals), and the distribution of luxury goods to a limited privileged class. Political power is more effective in collecting these goods than market institutions would be. Most of the corn trade in the ancient world was based on the collection of corn as tax or tribute;¹⁰² ancient markets were incapable of the task of attracting corn from

100. Cf. A. C. Wood, *The History of the Levant Company* (Oxford, 1935).

101. Polybius iii.22.8-9.

102. Cf. Finley, 2^e *Conférence d'histoire économique* I, 26-27, 34, and my article "Archaeology and the Economic and Social History of Classical Greece," *Parola del Passato* 116 (1967), 374-400 (p. 384 f.). There is a great deal of re-thinking to be done about corn production and distribution in the ancient world, and Polanyi's distinction between redistributive and market institutions should play an important part in it. Fixed prices in "administered trade" must be studied in this context of royal or state monopoly. The citizen freeholdings of the Greek cities and Rome were small islands in a world in which tenure was normally of the redistributive or "Asiatic" type (i.e., the peasant paid taxes, and the privileged classes held large estates ultimately derived from the state). Until the spread of state intervention under the Roman Empire, the redistributive system was linked to the market institutions of the cities by the independent shipper and the tax-farmer, and by the profit-making activities of the kings

the peasant in sufficient quantity to supply the great cities. Polanyi tends to present the port of trade as a restriction on the trader's activities, but it was equally a means of overcoming the formidable difficulties he would have faced had he tried to deal directly with producers.

The separation of trade and markets requires more detailed consideration than Polanyi gave it. His point that a lively trade could be carried on in a place which had no markets, and that where both existed they might be kept entirely separated, was an important warning against misunderstanding early economic institutions, but a distinction must be made between keeping the trader out of the local market, as a foreigner who can only be dealt with by skilled specialists or who needs protection, and keeping his goods out of the market because they belong to a prestige sphere.¹⁰³

There is also a danger in Polanyi's discussions of "administered trade" and of the role of "officials" in a redistributive economy, that anachronistic concepts drawn from modern bureaucratic systems may be taking the place of those earlier borrowed from the modern market economy. We badly need a study of the Mesopotamian concept of an "official" and the behavior expected from him; but it seems unlikely that the *tamkarum* or other "officials" in Kultepe-Kanis, the Assyrian trading settlement in Cappadocia, could have been expected to act solely as "officials" in the sense in which the term is understood in the modern developed bureaucracy. Their position would require them to enter into contact with local rulers or those who controlled the commodities with which trade was concerned; these contacts would inevitably have some of the characteristics of a "total" social relationship, which would surely include transfers of material goods. The idea that the *tamkarum* must be either an official or a private entrepreneur seems to me anachronistic.

In introducing the concept of the port of trade, Polanyi pointed to an institutional complex of great interest, not only for economic history but for

(see Éd. Will, *Histoire politique du monde hellénistique* I, 148-178, for the symbiosis of Ptolemaic state control and Rhodian private trade). Plantation farming for the market, like the "capitalistic" business associations of tax-farmers (and the Babylonian "bank"; cf. E. Szlechter, *Le Contrat de société en Babylonie, en Grèce et à Rome* [Paris, 1947]), developed in a predominantly redistributive situation and must be studied in this context. The mixture of redistributive and market forms of organization is complicated for us by the emphasis on the latter in ancient thought, which was not interested in the situation of the barbarian or the provincial peasant, as well as by our own preconceptions. For similar problems in Chinese economic history cf. Twitchett, "Merchant, Trade and Government in Late T'ang" (cit. n.80).

103. The separation of Aztec trade and markets may have been exaggerated by A. Chapman, "Port of Trade Enclaves in Aztec and Maya Civilisations," *TM*, 114-153; R. M. Adams, *The Evolution of Urban Society: Early Mesopotamia and Pre-Hispanic Mexico* (London, 1966), 163 f., has questioned her account of the separation of trade and tribute. The reasons for the difference in the goods handled by fairs and by local markets in the Middle Ages seem to be purely operational.

the study of culture contacts in general.¹⁰⁴ His own account of the system of "sortings" and the "ounce trade" devised by European traders at Whydah to reconcile their own monetized, profit-making trade with the different requirements of Dahomean trade in staples bartered at traditional rates¹⁰⁵ is a fascinating discovery and a model for future studies of early economic culture contacts—a neglected field. As with many of his ideas, his presentation of the port of trade is built up impressionistically from an assortment of significant features whose associations and interrelations need further study. His definitions are not to be treated as final, but as starting points for further research. Like all those who cover a wide range of materials in comparative studies, his assertions are frequently inadequately supported if not demonstrably wrong—I have indicated some of the points which I find questionable—but the problems he raises are not trivial.

2. ECONOMIC THEORY

The part of Polanyi's theory which has attracted most criticism is his contention that modern economic theory cannot be used to analyze the working of primitive economies, and, closely related to this, the argument that "economy" has two meanings, the formal and the substantive meaning, which only coincide in the modern market economy. Hence the comparative study of economic systems must start from the substantive meaning of "economy" and not from the formal meaning. In the substantive sense, according to Polanyi, the economy is "an instituted process of interaction between man and his environment which results in a continuous supply of want-satisfying material means. Want-satisfaction is 'material' if it involves the use of material means to satisfy ends; in the case of a definite type of physiological wants, such as food or shelter, this includes the use of so-called services only." The formal definition of the economy is "the allocation of scarce means to alternative ends."¹⁰⁶ Polanyi's distinction is closely related to Max Weber's distinctions between "economic action" and "rational economic action," and between substantive and formal rationality.¹⁰⁷

104. Cf. Belshaw, *Traditional Exchange and Modern Markets*, 92 ff.

105. *DST*, 104-169. See also M. Johnson, "The Ounce in Eighteenth-Century West African Trade," *Journal of African History* 7 (1966), 197-214. P. Curtin, in his review of *DST* (*Economic History Review* 20 [1967], 585) underrates the originality of Polanyi's approach. get.

106. For the formal definition see Lionel Robbins, *An Essay on the Nature and Significance of Economic Science* (London, 1935). Substantive definition in Godelier, *Rationalité et irrationalité*, 27 ff.

107. Polanyi, "The Economy as Instituted Process," *TM*, 243-270. Cf. Weber, *Wirtschaft und Gesellschaft* (4th ed., Tübingen, 1956) 31, 44-45 (= *The Theory of Social and Economic Organization* [New York, 1947], 158, 184), and n.113 below.

The disagreement between Polanyi and his critics on both these points is mainly one of emphasis. Polanyi emphasized the dangers of unconscious misapplication of modern economic concepts to primitive and archaic societies, and was interested in the study of the institutions which serve in non-market economies to produce the "continuous supply of want-satisfying material means." Raymond Firth, who is generally held up as the champion of the opposite view,¹⁰⁸ emphasizes the danger that anthropologists may miss significant facts, or fail to ask questions, which familiarity with economic theory might have brought to their attention, and he is interested in the study of processes of choice and decision-making in primitive economies. The two approaches have been profitably combined in recent studies of peasant markets. Increasing interest in social factors among economists and increasing sophistication in handling economic concepts among anthropologists are likely to make Polanyi's warnings seem less and less relevant.¹⁰⁹ Nevertheless there remains a marked divergence of method between Firth and Polanyi in that Firth attaches a positive value to the use of concepts drawn from economic theory in anthropology — he recently edited a volume entitled *Capital, Saving and Credit in Peasant Societies*¹¹⁰ — whereas Polanyi, I think, would have regarded the use of such terms both metaphorical and dangerous. Firth, naturally, is aware of the dangers; but the question whether such terms, applied to a primitive or peasant society, have the same meaning as they do in the context of the modern economy, or function only as illuminating metaphors, is a difficult one. I shall return to it later.¹¹¹

It is perhaps worth noting that Polanyi's "essentialist" problem of definitions is not confined to economics. There are comparable difficulties in comparing "embedded" and "disembedded" art,¹¹² and a debate more closely connected with our present concerns exists in the study of primitive law, where Max Gluckman has recently attacked Bohannan's Polanyist emphasis

108. Ronald Frankenberg, "Economic Anthropology: One Anthropologist's View," *Themes in Economic Anthropology*, 47-89; Percy S. Cohen, "Economic Analysis and Economic Man," *ibid.*, 91-118. The contrast between Firth and Polanyi should not be exaggerated: Polanyi's and Dalton's strictures on the misuse of economic theory were not aimed at Firth, and Firth's introduction to the volume, "Themes in Economic Anthropology: A General Comment" (*ibid.*, 1-28) argues for a careful use of economic theory in combination with awareness of social factors. Firth, Cohen, and Manning Nash (*Man* 3 [1968], 496-497, reviewing *Themes in Economic Anthropology*) agree that the theoretical controversy is of little importance.

109. Cf. Leonard Joy, "One Economist's View of the Relationship Between Economics and Anthropology," *Themes in Economic Anthropology*, 29-46. He warns, however, that "the venturesome should look for guidance from economists specialist in the relevant field. Textbooks — and economists in the wrong field — are likely to prove unhelpful and disappointing."

110. Edited with B. S. Yamey (London, 1964).

111. See p. 200.

112. E. H. Gombrich, *Art and Illusion* (London, 1960), 120: in the Greek world

on the dangers of transferring concepts from Roman law to other societies.¹¹³ Gluckman's response to Bohannan's relativism, if I understand him rightly, is to maintain that different legal systems can be compared with the help of basic categories such as "obligations," "rights," and "procedure for settling disputes"; these would seem to correspond to Polanyi's demand for a series of substantive categories to be used in comparative economics.

Another particularly controversial part of Polanyi's theory was his protest against the use of the concepts "scarcity" and "surplus" in comparative economics.¹¹⁴ In the case of scarcity, this argument was bound up with his distinction between the formal and substantive meanings of "economy," scarcity being an essential element in the formal definition of the economy as "the allocation of scarce means among alternative ends." Smelser, whose review of *Trade and Market* was the most important critique of Polanyi's ideas,¹¹⁵ seems to favor the idea of a substantive definition of the economy, but maintained that scarcity must be included in it: "Mastery over scarce means is one of the necessary ingredients in defining the economy in a way which can be compared from society to society." Since in Parsonian theory any social system has the function of achieving a balanced allocation of means among alternative ends,¹¹⁶ a substantive specification of the type of means concerned is essential to distinguish the economy from other sub-systems of society. But the definition of the economy must also identify it as the "adaptive" sub-system of society, and this appears to be Smelser's reason for retaining "scarcity" in his definition.

"The image has been pried loose from the practical context for which it was conceived and is admired and enjoyed for its beauty and fame, that is, quite simply *within the context of art*" (my italics); cf. Gombrich, *Norm and Form* (London, 1966), 1-10, "The Renaissance Conception of Artistic Progress and its Consequences."

113. Gluckman, *The Ideas in Barotse Jurisprudence* (New Haven, 1965), 251 ff. The formal/substantive distinction is used with different implications in legal theory generally, in Kantian philosophy, in Weber (in the form of the distinction between formal and substantive rationality) with regard to both law and economics (cf. Johann Dieckmann, *Max Webers Begriff des "modernen okzidentalen Rationalismus"* [Düsseldorf, 1961; ph. Diss., Cologne]), as well as by Polanyi in the economic context; the interrelations of the different uses are obviously extremely complex. It is perhaps worth noting here that Weber's "substantive rationality" carries no implication of universality or common ground for comparative studies; Weber is inclined to stress the multiple possibilities of substantive rationality, whereas Polanyi avoids the epistemological problems of basing comparative studies on substantive and not formal categories by the positivist claim that the possibilities empirically turn out to consist of "only a small number of alternative patterns for organising man's livelihood" (*TM*, xvii, cf. 250).

114. Terence K. Hopkins, "Sociology and the Substantive View of the Economy," *TM*, 270-306; Harry W. Pearson, "The Economy Has No Surplus: Critique of a Theory of Development," *TM*, 320-341.

115. *Economic Development and Cultural Change* 7 (1959), 173-182.

116. For the economic model on which this theory is based, see Pearson, "Parsons and Smelser on the Economy," *TM*, 307-319; cf. Hopkins, *TM*, 274-275.

Inssofar as the adaptive function consists in "readying resources for use in directed behaviour" (Smelser, *loc. cit.*), i.e., in the organization of production, it is presumably covered by Polanyi's definition of the economy as "an instituted process of interaction between man and his environment which results in a continuous supply of want-satisfying material means." But the term "adaptive" perhaps suggests also that the economy is the most flexible sub-system of society in its response to changing requirements or minor disturbances in equilibrium—this sensitivity of response being, perhaps, produced by the breaking down of the process of goal-attainment into a multiple series of small-scale choice situations. Polanyi would probably have argued that this was true of the modern market economy, but not necessarily of other types of economic organization. But it is worth enquiring whether even in more rigid and traditional societies the economy does not still offer relatively more flexibility and more choice situations than other parts of the social system, and therefore serves both as an area of potential instability and as a locus for compensatory movements in reaction to disturbances in equilibrium in other parts of the social system. Such speculations were, however, outside Polanyi's field of interest, because he wanted to proceed from a substantive definition of the economy to an *empirical* study of the place of the economy in society, without any theoretical presuppositions about the function of the economy. It may therefore be a mistake to judge his substantive definition of the economy as an attempt at a complete and exhaustive definition.

Smelser hints at another criticism of Polanyi's rejection of "scarcity" in saying that "the institutionalisation of attitudes and behaviour is not an alternative to scarcity, but one of the components in its determination," but he does not pursue the subject. What is most obviously missing from Polanyi's substantive definition of the economy is surely the notion of *value*.¹¹⁷ Mauss, in discussing the problem of defining the economy, suggested that "Les phénomènes économiques se définissent dans une certaine mesure par la présence de la notion de valeur, comme les phénomènes esthétiques se signalent par la présence de la notion du beau, les phénomènes moraux par la présence de la notion du bien moral."¹¹⁸ This emphasis on the notion of valuation is particularly important for the primitive economy, where the allocation of goods is so closely bound up with rights, obligations, compensation, rank, and prestige.¹¹⁹

Lévi-Strauss has suggested that economic systems, like kinship systems, can be regarded as a kind of language; Talcott Parsons, in *Societies: Evolutionary and Comparative Perspectives* (Englewood Cliffs, N.J., 1966), speaks of "symbolic codes" which regulate social communication. Though

117. Cf. Godelier, *Rationalité et irrationalité*, 256.

118. M. Mauss, *Manuel d'ethnographie* (Paris, 1947), 101.

119. Cf. Gluckman, *The Ideas in Barotse Jurisprudence*.

Parsons emphasizes that "valued objects" (valuation) and "values" must not be confused,¹²⁰ an attempt at a more detailed analysis than he gives in this book would require a closer comparison of the functioning of symbolic codes in the different sub-systems of society, leading, in the case of the economy, to the question of the relation of the hierarchy of valued objects to values, on the one hand, and to environmental conditions on the other hand.

Polanyi's failure to discuss value may be connected with his reluctance to recognize the existence of economic competition in primitive societies. The positive side of his views on "scarcity" was his emphasis on the need to study empirically the reactions of different societies to scarcity situations such as crop failure, and their institutionalized means of adapting to fluctuations in supply.¹²¹ In reaction against the conception of primitive man as "economically irrational," anthropologists are now inclined to argue that the apparently wasteful displays or destruction of wealth in some primitive societies (the piles of rotting yams which so impressed Malinowski in the Trobriand Islands) may after all fulfill an important economic function in encouraging more intensive production, and so insuring against a poor harvest. But there are few studies of adaptation to scarcity; few anthropologists spend long enough in the field to be sure of having first-hand experience of both lean and fat years, and non-economic interests are likely to create a stronger emphasis on periods of prosperity and feasting.¹²²

A different use of the concept of scarcity has been made by George M. Foster, who has attempted in a paper "The Peasant Society and the Idea of Limited Good"¹²³ to derive some features of the *Wirtschaftsethik* of peasant societies from chronic shortage of land and the uncertainties of traditional subsistence agriculture. Although Foster does not refer to Polanyi, his theory might be seen as an example of "scarcity as a generally acted upon cultural definition of situations"¹²⁴ arising from the limited supply of a particular

120. Parsons, *Societies*, 34, 18. In the case of "valued objects" there is, I think, always an element of "evaluating" as well as of "valuing."

121. *TM*, 190-192.

122. Cf. Godelier, *Rationalité et irrationalité*, 251, n. 57. R. Maunier, "Recherches sur les échanges rituelles en Afrique du Nord," *L'Année sociologique*, sér. 2, 2 (1924-25 [1927]), 11-97, records that in 1922 one Berber group decided to ban *taoussa* (ritual exchange) during a famine (41-42).

123. *American Anthropologist* 67 (1965), 293-315; cf. discussions *ibid.* 68 (1966), 202-214, 1202-1225. Foster's theory is certainly suggestive for the interpretation of both ancient and modern Greek peasant society (Hesiod; Ernestine Friedl, *Vasilika: A Village in Modern Greece* [New York, 1962]); but cultural traits shared by all peasant societies are notoriously hard to find (R. Redfield, *Peasant Society and Culture* [Chicago, 1956]). For an attempt to define the "peasant economy" along different lines see now Daniel Thorner, "L'Économie paysanne, concept pour l'histoire économique," *Annales* 19 (1964), 417-432.

124. *TM*, 290.

resource, land, rather than from the assessment of all resources in terms of money, and so, perhaps, as an example of an intermediate stage in the convergence of the formal and substantive meanings of scarcity.

Pearson's chapter "The Economy Has No Surplus: Critique of a Theory of Development" in *Trade and Market*, attacking the concept of surplus, closely parallels Terence K. Hopkins' treatment of scarcity in the same volume. The blanket use of "surplus" to cover all goods produced above the bare subsistence requirements of the producing society obscures the way to analysis or comparison. "There are always and everywhere potential surpluses available. What counts is the institutional means for bringing them to life."¹²⁵ Structural change cannot be adequately explained by pointing to increases in production. The "theory of development" criticized is the Marxist one, best known in the writings of Gordon Childe, which sees social evolution, especially in the prehistoric period, as a series of "revolutions" set off by improvements in production techniques. Similar objections to materialist explanations of social change have been made recently by others in a variety of contexts. The critics of Wittfogel's elaboration of the "surplus" theory in his work on "Oriental despotism" have shown that extensive canal works do not accompany the rise of "hydraulic civilizations"; much irrigation is organized at a local level, not by central bureaucratic control, and the operations of largest scale tend to be connected with the supply of water to cities rather than with opening up new areas for agriculture.¹²⁶ Modern economic historians are saying that the importance of technical innovations in the Industrial Revolution has been overstressed, and that more attention must be given to changes in economic organization.¹²⁷ Parsons, discussing the differences between primitive and "intermediate" societies, focuses on the development of political institutions capable of more effective mobilization of resources, rather than on technical development and increased productivity.¹²⁸ In the study of underdeveloped countries, too, it is realized that levels of saving and investment depend on economic institutions as much as on levels of production.

Even Polanyi's critics accept that increases in production and institutional

125. *TM*, 339.

126. K. Wittfogel, *Oriental Despotism* (New Haven, 1957); criticism relating to Mesopotamia and Mexico in R. M. Adams, *Land Behind Baghdad* (Chicago, 1965) and *The Evolution of Urban Society*; on Ceylon, E. Leach, "Hydraulic Society in Ceylon," *Past and Present* 15 (1959), 2-26. Cf. P. Vidal-Naquet, "Histoire et idéologie: Karl Wittfogel et le concept de 'mode de production asiatique'," *Annales* 19 (1964), 531-549 (adapted from his introduction to the French translation of *Oriental Despotism*); Godelier, "La Notion de 'mode de production asiatique,'" *Les Temps modernes* 228 (1965), 2002-2027.

127. Douglass North, "The State of Economic History," *American Economic Review* 55, 2 (1965), 87.

128. *Societies* (1966).

arrangements for the recognition and use of surpluses must be empirically studied.¹²⁹ They hold, however, that environment and technology, especially through their effects on population density, play an extremely important part in the evolution of human societies, and therefore that the empirical study of surpluses should be one of the main concerns of economic anthropology. Concentration on the term "surplus" has unfortunately tended to obscure the real difference between these critics and the Polanyi school, which is about the relative importance of methods of production and efficiency in exploiting the environment and of procedures of allocation, in the study of economic anthropology.¹³⁰ In the interests both of comparative economics and of the study of change, a swing back to interest in production among economic anthropologists is probably needed. The differentiation of social anthropology as a specialized discipline has meant that the institutional aspects of economic anthropology have been overemphasized, and this tendency has been reinforced by ambivalent attitudes toward the interest of economists in "development potential" and dislike of passing judgment on the productive efficiency of primitive societies¹³¹ — echoes of the defense of the "economic rationality of primitive man."

3. RECIPROCITY, REDISTRIBUTION, HOUSEHOLDING, AND MARKET EXCHANGE

Polanyi's typology of economic institutions is not, as has been claimed by Smelser, only a typology of exchange systems. It is certainly applicable to the organization of labor, as Polanyi showed more clearly in his last work, *Dahomey and the Slave Trade*: reciprocal labor patterns are common in primitive societies, corvée labor can be classed as redistributive, and slavery belongs to the householding pattern. (It is more difficult to associate different patterns of land tenure with Polanyi's categories, and he did not deal with this problem.) Polanyi seems to have regarded exchange of goods as the primary pattern, and allocation of resources as secondary. This is surely

129. See Godelier, *Rationalité et irrationalité*, 251 ff.; M. Harris, "The Economy Has No Surplus?" in *American Anthropologist* 61 (1959), 185-199; I. Sachs, "La Notion de surplus et son application aux économies primitives," *L'Homme* 6, 3(1966), 5-18. Suggestions for the study of surpluses in Dalton, "A Note of Clarification on Economic Surplus," *American Anthropologist* 62 (1960), 483-490.

130. Cf., however, J. Suret-Canale's criticism of Meillassoux, "Structuralisme et anthropologie économique," *Structuralisme et marxisme, La Pensée* 135 (October, 1967), 94-106, and Godelier, *Rationalité et irrationalité*, 84 ff.

131. Mary Douglas, "Lele Economy Compared with the Bushong: A Study in Economic Backwardness," *Markets in Africa* 211-233, is an exception.

where he made his radical break with Marxist theory; in comparison, the attacks on "scarcity" and "surplus" are of minor importance. The central point is that social relationships, expressed in and sustained by transfers of material goods, come before *Produktionsverhältnisse*.

Claude Meillassoux, attempting to reconcile Polanyi's approach with Marxism, has defended the central position of allocation in his system by arguing that in primitive societies where tools are simple and land is not a scarce resource control has to be exercised directly, through personal relationships, and not via control of the means of production. Such a society, he seems to suggest, could also exhibit a form of class conflict, between old and young. This view has been sharply attacked from the point of view of orthodox Marxism,¹³² but finds parallels in some non-Marxist work on economic anthropology.¹³³ Further discussion of the relation between patterns of allocation and the organization of production is clearly needed.

Polanyi, however, would hardly have approved of Meillassoux' enterprise, for two reasons. One is that his own work was based on the political conviction that the function of the economy should be to strengthen social relationships and eliminate conflict by an allocation of wealth conforming to the values of each society. The subordination of economic organization to social ends, which for Marx existed only in primitive communism and the communist Utopia of the future, was for Polanyi a feature of all societies except that dominated by the modern market system. Consequently (the second reason), he did not consider the theories of Marx relevant for the analysis of non-market economies. He agreed with Marx's indictment of capitalism and cited the "Economic-Philosophical Manuscripts of 1844" as evidence that "The essential philosophy of Marx centred on the totality of society and the non-economic nature of man," but held that as economic historians Marx and his followers had made the common mistake of interpreting other ages by the light of the economic and social organization of their own times. "Given a definite structure of society, the class theory works; but what if that structure itself undergoes change? . . . Though human society is naturally conditioned by economic factors, the motives of human individuals are only exceptionally determined by the needs of material want-satisfaction. That nineteenth-century society was organized on the assumption that such a motivation could be made universal was a peculiarity of the age. It was therefore appropriate to allow a comparatively wide scope to the play of economic motives when analysing that society. But we must guard against prejudging the issue, which is precisely to what extent such an unusual motivation could be made effective."

132. See above, p. 181.

133. See M. Douglas, "Primitive Rationing" (*cit. n.62*); L. Mair, "The Growth of Economic Individualism" (*n.59*).

tive."¹³⁴ Marx had not even produced a theory of socialist economics,¹³⁵ much less a guide to the understanding of the place of the economy in primitive societies.

Leaving aside the question of the basic of Polanyi's classification, what of the choice of categories? Three types only were proposed in *Trade and Market*, Polanyi's best-known work: reciprocity, redistribution, and (market) exchange; but in *The Great Transformation* these had been accompanied by a fourth category, householding, and Polanyi returned to this again in *Dahomey and the Slave Trade*. At the time of *Trade and Market*, Polanyi apparently excluded householding on the grounds that "as it always applies to a group smaller than society, it does not encompass all the systems of relationship found there."¹³⁶ Householding in any case is a vague term defined mainly by the absence of the inter-group relations which interested Polanyi; the peasant subsistence smallholdings and manorial estates linked under this heading by Karl Bücher,¹³⁷ from whom Polanyi took over the concept, resemble each other mainly in being self-sufficient; and the manor at least could be seen as a redistributive system. Polanyi probably took up the concept again in *Dahomey and the Slave Trade* because for the first time he was trying to give a full description of one society's economic institutions, instead of selecting different patterns for study in different societies, and found that reciprocity, redistribution, and markets did not account for every aspect of the economy in Dahomey. The system of land inheritance and Dahomean ancestor worship "merge the habitational unit or compound and the kinship unit into an unbreakable social entity,"¹³⁸ which has the economic functions of distributing land and mobilizing wealth for religious ceremonies.

Householding remains anomalous among Polanyi's categories because it represents the economic aspect of the basic social unit, whereas the other three categories all refer to the organization of economic relations *between* units. Reciprocal prestations of food and other gifts, labor, or hospitality occur typically between affinal groups, or between neighbors. Market exchange makes transactions possible between individuals irrespective of their social

134. *GT*, 153 ff. (= *Essays*, 38 ff.). Cf. G. Lukacs, "Der Funktionswechsel des historischen Materialismus."

135. Polanyi, "Sozialistische Rechnungslegung." He was critical of some aspects even of the Marxist interpretation of the development of the market economy (*GT*, *loc. cit.*).

136. F. Benet, *TM*, 215. Polanyi added in *City Invincible* that householding is formally the same as redistribution (*Essays*, 307-308). It is worth noting that this resemblance may be used as the basis for an ideological justification of a redistributive system, as in Dahomey.

137. *GT*, 60; Bücher, *Entstehung der Volkswirtschaft*, 108 ff.

138. *DST*, 72. Previously Polanyi had entirely omitted inheritance systems from his comparative economics.

relationship. Redistribution requires central collection and allocation by a higher authority, but can be seen as satisfying the basic unit's need for services and goods which it cannot produce alone by providing an institutionalized channel for the pooling of resources.

Smelser in his review of *Trade and Market* proposed to divide the category of redistribution into two: systems in which central collection is genuinely followed by redistribution, as in the division of the harvest among different castes in the Indian village,¹³⁹ and those in which collection serves to mobilize resources for the enterprises of the ruling group — pyramid-building, for example. But the two functions are frequently carried out by the same organization, and justified in the same way as serving collective interests; the distinction between immediate material distribution and the deferred or less measurable benefits of the ruler's activities as priest or war-leader does not seem sharp enough to warrant classing "mobilization" as a separate category.

Smelser's reason for this modification is betrayed by his further suggestion that his four categories (reciprocity, redistribution, mobilization, and market exchange)¹⁴⁰ correspond to the four functional sub-systems of society in Parsonian theory. Reciprocity corresponds to the function of latent pattern-maintenance and tension-management; redistribution to the allocation of rewards and facilities according to the integrative requirements of society; mobilization to goal-attainment; market exchange to adaptation. Each type of exchange is embedded in a different social structure. Reciprocity is embedded in the structure of the segmental units (families, neighborhoods, clans, etc.) between which reciprocal prestations occur; redistribution in the system of social stratification which determines dues and rewards; mobilization in the system of political authority; market exchange in the market mechanism and the system of specifically economic roles and institutions associated with it. In most societies all four types of exchange can be identified, but their relative importance depends on "the value-system of the society in question, the level of differentiation of its social structure, and the complexity of the demands of its internal and external situation." Further study, he suggests, should be devoted to clarifying the relation of economic institutions to social structure along these lines.

A different approach is adopted by Marshall Sahlins,¹⁴¹ who has attempted to build up a model of the sociology of primitive exchange based on the two concepts of reciprocity and redistribution, representing "horizontal" and "vertical" exchange patterns. Householding is regarded as a small-scale redistributive system; reciprocal transactions are graded from "generalized

139. But this system is as much reciprocal as redistributive, cf. Neale, *TM*, 218-236, and K. Ishwaran, *Tradition and Economy in Village India* (London, 1966).

140. Since Smelser was discussing *TM*, he did not consider householding.

141. Cf. above, n.40.

reciprocity" or pure altruism through "balanced reciprocity," in which giver or seller receives a fair return, to "negative reciprocity," in which each party tries to maximize his own advantage. Haggling, barter, gambling, chicanery, and theft are examples of "negative reciprocity." The position of an exchange on this scale is conditioned by the "span of social distance" between those who exchange. Social distance may be simply the degree of closeness of kinship or neighborhood, or may be affected also by differences in rank or wealth. The reciprocal relationships of the powerful and the rich have a wider radius than those of the poor or insignificant. There may be a sharp distinction in type between in-group exchanges and those with outsiders, or the latter may be assimilated to in-group patterns by the formation of trade-friendships or partnerships, relations of blood-brotherhood, and so on. Again, different modes of exchange may be prescribed for different classes of goods.¹⁴² The patterning of exchange may be influenced by a general tendency to individualism or to cooperation in the moral attitudes of the community.¹⁴³ The mode of exchange will also be influenced by the social structure. Sahlins suggests that "balanced reciprocity" is likely to be found in segmented societies consisting of autonomous settlements only loosely linked by kinship and clan organization, and that it is particularly in such societies also that primitive money is likely to be found. These societies have connections too wide and tenuous for exchange to be structured entirely by "generalized reciprocity," and do not have a sufficiently strong central power for a redistributive system.

Although both Sahlins' and Smelser's articles contain many suggestions which could form the basis for further empirical research,¹⁴⁴ they both discuss Polanyi's classification mainly from a formal point of view, and modify it in order to produce a neater formal model. It was natural that attempts should be made to link Polanyi's economic patterns to types of social structure, but many problems remain, especially in analyzing the interrelations of different patterns within a single society. There was a certain ambiguity in the way in which the scheme was presented in *Trade and Market*. Although it was made clear there that Polanyi's categories referred to institutional patterns which might coexist in a single economic system,¹⁴⁵ the societies discussed were presented as dominated by one type of economic organization. Where two patterns existed in a single society, stress was laid on their incompatibility, as in the case of reciprocity and market exchange among the Berbers, or redistribution and European market trade in Dahomey.

142. See Bohannan, "Some Principles of Exchange and Investment Among the Tiv," *American Anthropologist* 57 (1955), 60-69.

143. Cf. M. Mead, ed., *Cooperation and Competition Among Primitive Peoples*.

144. Sahlins' "On the Sociology of Primitive Exchange" also has a rich appendix of ethnographic material.

145. E.g., *TM*, 255-256.

Polanyi hoped that his research would form the basis of a "new science of comparative economics," but these attempts at developing it seem perhaps a little premature. It might be wiser to continue with Polanyi's empirical and operational approach, testing the usefulness of his categories in historical and anthropological studies and seeing what problems arise in trying to apply them, before attempting to use them as a basis for more ambitious theoretical constructions. His categories should be regarded as sketches of some areas in a largely unexplored territory rather than as coordinates in a diagram.

In *Dahomey and the Slave Trade* Polanyi for the first time applied his typology to the analysis of a single society's economic system in all its aspects. As has been said, this led him to modify his classification by reintroducing householding as a category, and even this did not enable him to give a very satisfactory account of land tenure or inheritance. The main weakness of his account, however, is that the reciprocal, redistributive, householding, and market sections of the economy are described in separate chapters, with little attempt to explain their interrelations. We are not told how the individual reconciles his various economic commitments, nor how the general value-system maintains the separation of different institutional patterns and the attitudes appropriate to each. This is partly the fault of the sources;¹⁴⁶ but Polanyi does not discuss the implications of, for instance, the apparent tendency to present the redistributive system as an all-inclusive higher level household, or of the fact that the market-women's goods were not grown on family land but bought from large plantation-type farms, which must have facilitated the separation of householding and market spheres.

Smelser was justified in criticizing Polanyi's "radical institutionalism"; the analysis of institutions alone will reveal little, if they are not related to environmental conditions on the one side, and to values and *Wirtschaftsethik* on the other. But institutions may still make a good starting point for the study of values. In my own subject, the economy of ancient Greece, an approach through Polanyi's categories, though certainly not the only one to be pursued and not capable of answering all our questions, seems to me to have produced some interesting results.

Although many details in the interpretation of the Mycenaean Linear B tablets are still obscure,¹⁴⁷ they show at least that the economy of the more advanced areas of Greece in the Bronze Age was dominated by a redistributive system of the kind known from the palace archives of the ancient Near East. Taxes in grain, wool, oil, and wine accumulated in the palace store-rooms; land tenures were minutely recorded, status distinctions formalized, trade

146. See W. J. Argyle, *The Fon of Dahomey: A History and Ethnography of the Old Kingdom* (Oxford, 1966), for a more critical and cautious account of the evidence.

147. See Finley, "The Mycenaean Tablets and Economic History," *Economic History Review*, ser. 2, 10 (1957-58), 128-141.

relations with distant regions stimulated, and a high level of craft specialization achieved through the centralization of wealth and administrative capacities of the palace system.

This system, in Greece, did not survive the upheavals of the end of the Bronze Age. In the Near Eastern civilizations the old structure survived the crisis, but in Greece cities and palaces were destroyed, trade and other regular communications broke down, writing was forgotten; the startling impoverishment of material culture revealed in the archaeological record was accompanied by extensive depopulation and a major breakdown of the religious, political, and economic institutions which had centered on the palace.¹⁴⁸ One of the most important aspects of the discovery of the Mycenaean civilization for the ancient historian is that the development of the Greek polis appears no longer, or at least not only, as a product of Indo-European tribal organization, but as a social system growing out of the ruins of an "Oriental despotism."

Whether the society portrayed by Homer should be regarded as an attempt to refashion the Mycenaean kingdom on a small scale or as a segment cut loose from it is not clear. Redistributive institutions, in any case, survived, but no longer form a bureaucratically organized system. The chief must justify his wealth by generosity; beggars and strangers come to his house for entertainment, he provides for feasts and sacrifices, and leads in expeditions abroad to raid, trade, or exchange gifts with other princes. It is he who provides for the few specialists who remain in the Greek world — the expert shipwrights, poets, and doctors who travel from one patron to another.

The main emphasis in the Homeric poems, however, is on reciprocal gift-exchange between these leaders. Hospitality and generosity to equals is far more important than relations with inferiors. (Similarly, Hesiod stresses the necessity for the peasant to be generous in his dealings with his neighbor, but prefers to keep clear of the "gift-devouring *basileis*."¹⁴⁹ The poor man, it seems, now only approaches the rich with gifts out of fear or desire for favor — he has no regular obligation to pay dues, he is predominantly a "householder.") But the stress on generosity in the gift-giving system of the rich includes the obligation to give to those who cannot make returns; reciprocity and redistribution are linked in the system of values. Both patterns no doubt were inherited from the Mycenaean age, but the *basileus* now has to rely mainly on his own resources and exertions for the wealth needed to live up to his ideals, and the gift-exchange and displays of wealth which were part of the courtly pattern take on a competitive edge in an age of more fluid

148. C. G. Starr, *The Origins of Greek Civilization* (New York, 1961), 79 ff.; Finley "Homer and Mycenae: Property and Tenure," *Historia* 6 (1957), 133-159.

149. See the discussion of gift-prestation in ancient Thrace by Mauss, "Une Forme archaïque du contrat chez les Thraces," *Revue des études grecques* 34 (1921), 388-397.

status distinctions and a struggle for power and prestige among a class of equals.

By a process which we are not yet able to trace clearly, the competition for power and prestige among the Greek nobility, from about the seventh century onward, moved away from the display of wealth at home and attraction of a personal following to displays of munificence in the city center and contests for political office and political support independent of personal ties. In view of this increasing differentiation of the political structure, and the structural differentiation of the economy which will be discussed below, it is interesting to see that Athens relied on the redistributive ethic to supplement her taxation system. Distribution to dependents was replaced by gifts made to the people as a whole, and the transaction was depersonalized on both sides — not only was no individual recipient put in an inferior position, but the givers were shorn of much of the prestige of giving: the class who had once set up fine buildings under their own names and commanded their own warships in battle¹⁵⁰ were restricted to the limited possibilities of display in the upkeep of a state trireme or paying for a dramatic performance whose success was credited to the playwright rather than to the *choregus*. Yet the speeches from the fourth-century lawsuits reveal the constant pressure on the rich to justify the possession of their wealth by undertaking more of these liturgies than the minimum prescribed, and spending more generously on them than was strictly necessary.

The kinship system, so far as can be seen, did not have important economic functions. The rules of inheritance were naturally important in the transmission of land, and clans had religious functions which provided occasions for sacrifices and feasting, but the reciprocal prestations of gifts between relatives familiar from primitive societies seem to have no counterpart in ancient Greece. Hesiod is concerned with relations among neighbors; there is no suggestion in the *Works and Days* that kinship groups play an important part in the life of rural Boeotia.¹⁵¹ Nor do kinship ties play much part in the relationships of the Homeric nobility; they are replaced by the elaborate linkages of guest-friendships, often themselves inherited from one generation to another.

The peasant householder therefore had few occasions to exchange with others. If his neighbor asks for a loan he must be generous, lest he need one himself later, but he should try to be independent of such aid. If he exhausts his neighbors' goodwill, no one will help him; if he turns to the rich for aid or protection, he may risk losing the land which is the mark of his free status in

150. Herodotus v.47, viii.17.

151. This is hardly due to Hesiod's own position as an immigrant's son, but the mobility of the colonization period has to be taken into account.

the community. His main economic aim is to support his family with as few dealings with others as possible. The few village craftsmen make little difference to this pattern; probably they barter their products at fixed equivalencies.

But overseas trade between Greece and the Near East, which had almost entirely ceased during the "Dark Age," had been resumed by the ninth century, and the trader was the first "market" element in the Greek economy. Long-distance traders, as opposed to the few peasants who ventured to ship a cargo to the nearest town, were probably landless men, detached from their own community, often no doubt combining piracy with trade. It has been observed that all Homer's traders are non-Greeks; this does not reflect the actual situation in the eighth century, but was an idealized solution, which persisted for centuries (Athenians in the fourth century still tended to speak as if all traders were non-citizens) to the contradiction felt between the behavior of the trader and the *Wirtschaftsethik* of the community. It was recognized that the trader felt no obligation to be generous in selling his wares, and that his transactions were not embedded in any social relationship; even if he was not a foreigner, dealings with him were conducted as if he was not a member of the community. This solution of the contradiction between the ethics of reciprocity and of market dealing was facilitated and for a considerable time limited in its effects by the fact that the rich regarded the trader as an inferior creature and the peasant had little to do with him; but it had the consequence that as trade increased there was an increasing tendency to the differentiation of "economic" situations, roles, norms of behavior, and motives.¹⁵² When the Peloponnesian War forced the peasants of Attica to take refuge inside the city, the market grew rapidly in importance, and with it came the extension of the "market mentality." The uprooted peasant had few opportunities for wage labor even if he had been willing to compete with non-citizens and slaves; his needs were at least partly met by the pay he received as soldier, rower, or juror, and if he needed more money his easiest course was to turn petty trader—the Sausage-Seller of Aristophanes' *Knights*. Cut off from the restraints of his old local community, he would adopt the ethic of the market; and as he no longer produced for his own subsistence, but relied on a cash income, he would tend to extend his "economic" attitude to all questions where money was concerned. Political conflicts between rich and poor sharpened; the rich tended to blame the greed and irresponsibility of the *demos* for mistakes in policy, and became less willing to contribute financially. In the fourth century there were men

152. Denis Twitchett, "Merchant, Trade and Government in the Late T'ang," *Asia Major* N.S. 14 (1968), 63-95, provides interesting comparative material.

who sold land to make their wealth "invisible" to the eye of the informer and so avoid taxation. Demosthenes complains that politicians are making money out of their position in office, and that they are more interested in ostentatious houses for themselves than in the adornment and prosperity of the city.¹⁵³ Wealth and the traditional status hierarchy were becoming increasingly separated; some of the richest men in Athens at this time had begun their careers in banking or trade as slaves. One of the most significant instances of the structural differentiation of the economy was the development of a separate legal category of commercial suits in which not only foreigners but even slaves, who normally had no legal capacity, could appear.¹⁵⁴

Thus, what disturbed the philosophers of the fourth century was not, as Polanyi thought, an increase in profit-making on price differentials, but the disembedding or structural differentiation of the economy, leading to the application of "economic" criteria and standards of behavior in a wide range of situations recognized as economic above all by the fact that money was involved; the old civic virtues of generosity and self-sufficiency were being replaced by the market attitudes of the trader.¹⁵⁵

The value of Polanyi's categories here is that they provide a rough-and-ready classification of economic institutions and the different values maintaining them, and indicate the areas in which contradictions and conflict are to be looked for. The use of Parsons' theory of structural differentiation instead of Polanyi's crude contrast between embedded and disembedded economic systems gives the outlines of a dynamic analysis.¹⁵⁶ But from this a new question arises. Would a decrease in the importance of market institutions in a society which had reached this level of differentiation produce a revival of the attitudes whose loss Aristotle and Polanyi deplored? In the Roman Empire the state increasingly had to take over the functions of the market system in order to ensure an adequate supply and distribution of food to the city popu-

153. Demosthenes iii. 29, xxiii. 207.

154. L. Gernet, *Droit et société dans la Grèce ancienne* (Paris, 1964), 151-172, "Aspects du droit athénien de l'esclavage." The change was part of a general trend to classify legal proceedings by the matter concerned instead of the status of the actors.

155. This analysis owes much to that of Otto Erb, *Wirtschaft und Gesellschaft im Denken der hellenischen Antike* (Berlin, 1939). Maxime Rodinson has drawn on Polanyi's ideas in a similar way in his account of the disembedding of the economy in medieval Islam, *Islam et capitalisme* (Paris, 1966), 45-73, as P. Brown pointed out to me.

156. For a different application of the concept of structural differentiation to the history of the ancient world see Keith Hopkins, "Structural Differentiation in Rome (200-31 B.C.): the Genesis of an Historical Bureaucratic Society," *History and Social Anthropology*, ed. I. M. Lewis (London, 1968: A.S.A. Monograph 7), 63-79; *idem*, "Elite Mobility in the Roman Empire," *Past and Present* 32 (1965), 12-26; P. R. C. Weaver, "Social Mobility in the Early Roman Empire: The Evidence of the Imperial Freedmen and Slaves," *ibid.* 37 (1967), 3-20.

lation. This change was accompanied by an increase in private redistribution (which had always been more important in Rome than in classical Greece).¹⁵⁷ The process of bureaucratization of the economy and the rise under the influence of Christianity of new attitudes to economic matters has never really been studied. Although Polanyi never faced the difficulties of applying his theories to the history of economic institutions and attitudes in Europe between the fourth century B.C. and the beginning of market capitalism, it is not impossible that they may have something to contribute here as well as in the study of primitive and archaic societies.

If Polanyi exaggerated the contrast between primitive *Gemeinschaft* and modern *Gesellschaft* and so failed to deal with intermediate forms, some of his critics have erred in the opposite direction. They find no difficulty in comparing the "extensive credit facilities" of primitive society with those of the modern economy. Yet there is an immense gulf between the personal economic relationships of a small community and the impersonal modern transactions resting on legal institutions which have taken centuries to develop. At the present time, when culture contact and development programs bridge the gap in a short period, it is perhaps especially tempting to look at the similarities between "custom and contract" rather than at the differences. But the history of the long and tortuous process of evolution needed to produce contractual forms of such apparently simple operations as sale, loan, and credit¹⁵⁸ must not be forgotten. The main danger in the separation of anthropological from historical comparative studies seems to be that the study of social change is split into two separate departments; historians, until very recently, have concentrated on evolution and ignored acculturation,¹⁵⁹ while anthropologists study the changes in primitive societies produced by contact with the ideas and economic institutions of "developed" countries, and lose sight of the questions about the origins of institutions which originally stimulated the growth of anthropology.

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157. B. Laum, "Über die soziale Funktion der Münze. Ein Beitrag zur Soziologie des Geldes," *Finanzarchiv* 13 (1951-52), 120-143; R. Duncan-Jones, "Wealth and Munificence in Roman Africa," *Papers of the British School at Rome* 31 (1963), 159-177.

158. Cf. F. Pringsheim, *The Greek Law of Sale* (Weimar, 1950), and the discussions by Gernet, "Le Droit de la vente et la notion du contrat en Grèce" and "Sur l'obligation contractuelle dans la vente hellénique," *Droit et société*, 201-224, 225-236. The problem of the origins of contract was a central one for the Durkheim/Mauss school to which Gernet belonged (cf. Mauss, *Essai sur le don*, G. Davy, *La Foi jurée*, etc.). The material from the ancient Near East is even richer than that from Greece; cf. e.g., E. Cassin, "Symboles de cession immobilière dans l'ancien droit mésopotamien," *L'Année sociologique* (1952), 107-161.

159. See now A. Dupront, *L'Acculturazione* (Turin, 1966).