



UNIVERSITY OF LONDON

UNIVERSITY EXTENSION AND  
TUTORIAL CLASSES COUNCIL:  
TUTORIAL CLASSES COMMITTEE

SYLLABUS

FOR A SESSIONAL CLASS ON

**Politics, Economics and Society**

BY

KARL POLANYI, DR. JUR.

## METHOD OF CONDUCTING SESSIONAL CLASSES

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Sessional Classes are based upon the principle of comradeship in study, and students are expected to co-operate in every possible way to secure the success of the Class and of the educational movement of which it is a part.

Regularity of attendance is essential if full benefit is to be derived from the Class. The cause of any unavoidable absence should be notified to the Class Secretary.

The Class meets weekly twenty-four times. As a rule each meeting lasts two hours, at least half of the time being given to discussion, or other work, in which the students take an active share.

Regular practice in written work, normally every week or two, is part of the training offered by the course. This work varies according to the subject studied and the needs of different students, and may include simple exercises or the preparation of notes or diagrams as well as the writing of essays. Elaborate productions are not expected from beginners.

Sessional Classes are established to help working men and women to gain knowledge for themselves and their fellows on matters in which they are specially interested. The effort of the students as well as the tutor should be to consider disputed questions with calmness of tone and from every aspect in order that a scientific attitude and method may be acquired.



## PART I.—SOCIETY AND ECONOMIC LIFE.

Purposes and modes of governmental action in industry. *Who* is government and *what* is industry? Producers and consumers; intervention, control and ownership. Broad definition of government and industry.

Institutions of a Western Melanesian community such as the canoe crew, the matrilineal family or the Kula trade show the manner in which economic institutions are usually embedded in social relations.

From small hunting tribes to vast ancient societies we find instances of collecting, storing and redistributing of goods, be it game or elaborate manufactures. The economy of the chief, the pharaoh, the temple or the feudal manor offer examples of the close connection between government and economic activities at all stages of human development.

The mercantile system which followed upon feudalism in Western Europe initiated a powerful development of economic life. The Middle Ages did not know indiscriminate trading between town and country, between town and town. Restrictions were removed by strong governments, and national markets were established. Such markets, however, were strictly regulated and did not include markets for labour and land, which retained their traditional organisation as part of the social fabric.

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ASHLEY, W. J. : *An Introduction to English Economic History and Theory.*

BENEDICT, R. : *Patterns of Culture.*

BÜCHER, K. : *Industrial Evolution.*

CUNNINGHAM, W. : *Western European Civilisation in its Economic Aspects.*

FIRTH, R. : *We, the Tikopia.*

FIRTH, R. : *Primitive Economics of the New Zealand Maoris.*

HECKSCHER, E. : *Mercantilism.*

MAIR, L. P. : *An African People in the Twentieth Century.*

MALINOWSKI, B. : *Argonauts of the Western Pacific.*

MALINOWSKI, B. : *Crime and Custom in Savage Society.*

PIRENNE, H. : *Economic and Social History of Mediæval France.*



- PIRENNE, H. : *Medieval Cities*.  
 WEBER, M. : *General Economic History*.  
 THURNWALD, R. : *Economics in Primitive Communities*.  
 THURNWALD, R. : *White and Black in East Africa*.

## PART II.—THE STATE AND A SELF-ADJUSTING SYSTEM OF MARKETS (MARKET ECONOMY).

The use of elaborate and expensive plant in production is dependent upon the existence of organised markets, notably for the factors of production, labour and land. The consequent setting up of free markets for labour and land involved a complete change in the organisation of society. In England, the home of the Industrial Revolution, the Speenhamland "Law" of 1795 attempted to prevent the development of a free market for labour, with disastrous results.

In the change from mercantilism to market-economy the State played an important part. While, on the one hand, legal regulation of industry was abandoned, there was, on the other, an expansion of government activities in many fields. Central administration of the Poor Law, of the police, as well as supervision of the reform of the municipalities were responsible for considerable extension of the range of State administration.

Once a market-economy is established, industry seems to run all by itself. However, constant action on the part of the government and other agents is needed to ensure the functioning of free markets without fatal harm to the community. The protective measures mainly concerned labour and land, i.e., human beings and their habitat.

- BIRNIE, A. : *An Economic History of Europe, 1760-1930*.  
 CUNNINGHAM, W. : *The Case Against Free Trade*.  
 CUNNINGHAM, W. : *Growth of English Industry and Commerce in Modern Times : Laissez-faire*.  
 DICEY, A. V. : *Law and Public Opinion in England*.  
 FLORENCE, S. : *Uplift in Economics*.  
 HAMMOND, J. L. AND B. : *The Rise of Industry*.  
 HOBSON, J. A. : *The New Protectionism*.



- LASKI, H. (Ed.): *A Century of Municipal Progress, 1835-1935.*  
 MANTOUX, P.: *The Industrial Revolution in the Eighteenth Century in England.*  
 MARSHALL, D.: *The English Poor in the Eighteenth Century.*  
 MORLEY, J.: *The Life of Richard Cobden.*  
 REDFORD, A.: *Labour Migration in England, 1800-1850.*  
 SPENCER, H.: *The Man versus The State.*  
 TOYNBEE, A.: *Lectures on the Industrial Revolution in the Eighteenth Century in England.*  
 WEBB, S. AND B.: *Local Government : History of the English Poor Law.*

### PART III.—THE PROTECTIVE MOVEMENT.

The Poor Law Reform Act of 1834 made a sudden end to Speenhamland conditions and established a free market for labour. Chartism was an abortive attempt to counteract the effects of market economy on the lives of the common people, With the Factory Movement, the trade unions and Christian Socialism protective action got under way.

The extension of the market system to the soil and its wealth was a lengthy process. Sixteenth and Eighteenth Century enclosures mobilised the land to some degree. The marketing of grain was extended from local and regional to national and, later, to international markets. A generation later, agrarian tariffs had to protect the peasantry of the Continent from an avalanche of cheap overseas grain. In England and many overseas countries land laws offered security of tenure to the farmer.

Monopolies which often spring from competition are reinforced by the effect of protective action. Prices, including wages, tend to become rigid. The self-adjustment of the market is thus impaired. Further government action may then be needed to rectify the working of the market.

- BERLE, A. A. AND MEANS, G. C.: *The Modern Corporation and Private Property.*  
 CLAPHAM, J. H.: *Economic History of France and Germany, 1815-1914.*



- COLE, G. D. H. : *Robert Owen.*  
 DURBIN, E. F. M. : *The Politics of Democratic Socialism.*  
 HAMMOND, J. L. AND B. : *The Bleak Age.*  
 HAMMOND, J. L. AND B. : *The Village Labourer.*  
 HAMMOND, J. L. AND B. : *The Town Labourer.*  
 HAYES, C. J. H. : *A Political and Social History of Modern Europe.*  
 JOHNSON, A. H. : *The Disappearance of the Small Landowner.*  
 KINGSLEY, CH. : *Alton Locke.*  
 KNOWLES, L. C. A. : *Industrial and Commercial Revolutions in Great Britain.*  
 LEVY, H. : *Monopoly, Cartels, and Trusts.*  
 MACROSTY, H. W. : *The Trust Movement in British Industry : A Study of Business Organisation.*  
 POLLARD, A. F. : *England Under Protector Somerset. Poor Law Commissioners' Report, 1834.*  
 TAWNEY, R. H. : *The Agrarian Problem in the Sixteenth Century.*

#### PART IV.—PROBLEMS OF INTERVENTIONISM.

Under a market-economy government and business are, in principle, separated. Yet two facts stand out : First, that such an economy can neither be established nor kept going without government action ; secondly, that interference with markets tends to destroy self-regulation. Thus government action, while inevitable, remains limited in scope.

Free trade extends the principle of self-adjustment to world economy. Both the advantages and the disadvantages of a free trade system are thereby greatly enhanced. The former consist in the improved division of labour, the latter in the dislocation of employment and habitation consequent upon rapid changes in the division of labour.

Full employment has been at all times one of the chief aims of governmental policy with regard to industry. Under a market-economy unemployment is apt to recur on a large scale, thus calling forth State intervention in the form of relief and public works, which, however, may tend to prolong the depression. In spite of this fact, some form of intervention is unavoidable for social reasons.



The maintenance of fixed foreign exchanges through a system of free trade involves the recurrence of unemployment. Some management of currency by central agencies (in this case, by the Bank of issue) is inevitable. Beyond a definite point, such intervention is incompatible with the international gold standard. Here, again, government action, while unavoidable, interferes with the working of market-economy.

The protective movement in Europe was closely linked with the advance of popular government. Each social stratum demanded and gained protection, whether in the shape of factory laws, agrarian tariffs or duties on manufactured goods. Dislocations in industry thus might cause tensions in the sphere of government. Industrial conflicts spread over into politics.

Under a self-regulating market-system continuity of production largely depends upon conditions in distant regions. Government policy is thus inevitably influenced by the interests of both employers and employed in overseas territory, notably colonies. Protective tariffs, which were largely abandoned in the 1860's, were reintroduced in the 1880's. While free trade had worked for the prevention of general wars on account of their dislocating effect, imperialist rivalries, fostered by colonial and protectionist aspirations, made for general wars.

BEVERIDGE, W. : *Unemployment : A Problem of Industry.*

CARR, E. H. : *Conditions of Peace.*

CARR, E. H. : *The Twenty Years' Crisis.*

CLAY, H. : *The Post-War Unemployment Problem.*

COLE, G. D. H. : *Out of Work : An Introduction to the Study of Unemployment.*

COLE, G. D. H. : *Studies in Capital and Investment.*

COLE, G. D. H. : *What Everybody Wants to Know About Money.*

CROSSMAN, R. H. S. : *Government and the Governed.*

DURBIN, E. F. M. : *How to Pay for the War.*

FEIS, H. : *Europe, the World's Banker, 1870-1914.*

FEIS, H. : *The Changing Pattern of World Trade.*

FISHER, A. G. B. : *The Clash of Progress and Security.*

HAWTREY, R. G. : *Economic Aspects of Sovereignty.*

HAWTREY, R. G. : *The Gold Standard in Theory and Practice.*



- HAWTREY, R. G. : *Economic Destiny.*  
 HAWTREY, R. G. : *The Economic Problem.*  
 HAYES, C. J. H. : *Historical Evolution of Modern Nationalism.*  
 HICKS, I. R. : *The Social Framework.*  
 HOBSON, J. A. : *Imperialism.*  
 KEYNES, J. M. : *The End of "Laissez-faire."*  
 LENIN, W. I. : *Imperialism.*  
 MAINE, H. S. : *Popular Government.*  
 MEADE, J. E. : *Economic Basis of a Durable Peace.*  
 MEADE, J. E. : *Outline of Economic Analysis and Policy.*  
 MOON, P. T. : *Imperialism and World Politics.*  
 MORTON, A. L. : *A People's History of England.*  
 ORWELL, G. : *The Road to Wigan Pier.*  
 POSTGATE, R. : *Revolution, from 1789 to 1906.*  
 R.I.I.A. : *Nationalism (Symposium).*  
 ROBBINS, L. : *The Economic Basis of Class Conflict.*  
 ROBBINS, L. : *Economic Causes of War.*  
 STALEY, E. : *War and the Private Investor.*  
 WOOTTON, B. : *Plan or No Plan.*

#### PART V.—LIBERALISM, FASCISM, SOCIALISM, NEW DEAL.

About 1800 regulationism was dropped, first in production, then in trade. Free markets were established for labour, corn and gold through the Poor Law Reform Bill (1834), the Anti-Corn Law Bill (1846), and the Bank Act (1844), respectively. A vast expansion of markets followed, with a corresponding increase of government activities.

England was the first country to discard *laissez-faire* and to introduce such measures as factory laws, national minima and trade unions. Other measures of protectionism followed. By the beginning of the 20th century the leading countries of Europe had passed from a liberal economy to a chaotic form of capitalism.

About the third decade of the 20th century fascist tendencies arose to solve the problems of a market-economy through the elimination of the institutions of popular government and with



the help of an exclusive autocracy. Under the fascist régime industrial corporations are entrusted with governmental functions, a change which is to be achieved by a one-party dictatorship. In the long run, no solution is offered, since an industrial society demands the activation of all individuals and the economic co-operation of national groups. In the short run, however, a reform of capitalism is achieved in three directions (1) elimination of unemployment, (2) security of tenure for the worker, and (3) greater ease in the redistribution of purchasing power. Unless other means are found to attain these ends, fascist tendencies are bound to make themselves felt.

An opposite tendency in modern industrial societies is represented by socialism, which involves the solution of the problems of market-economy by an expansion of democratic government to the field of industry. If fascism can be described as the ~~running~~ of government by industry, socialism broadly, comports the ~~running~~ of industry by government. *control*

In spite of its very great importance as a successful experiment in a socialist economy, the relevance of the Russian experience is limited by the conditions under which it arose, namely, the absence of an industrial society and of democratic traditions. Incidentally, the impression was created as if a socialist organisation of industry were bound to be linked to dictatorial forms of government.

The American constitution (1787) embodied the principle of the separation of government and industry in an extreme form. The introduction of effective federal government by the New Deal in 1933, coincided with the efforts of the central administration to restore the functioning of industry and to reform the organisation of market-economy.

- ADAMS, J. T. : *The Epic of America.*  
 ARNOLD, TH. W. : *The Folklore of Capitalism.*  
 BEARD, CH. : *American Government and Politics.*  
 BEARD, CH. AND SMITH, G. H. E. : *The Old Deal and the New.*  
 BEER, M. : *A History of British Socialism.*  
 BORKENAU, F. : *The Totalitarian Enemy.*  
 BURNHAM, J. : *The Managerial Revolution.*



- CHAMBERLIN, W. H. : *The Russian Revolution, 1917-1921.*
- CLAY, H. : *The Problem of Industrial Relations, and other Essays.*
- COLE, G. D. H. : *A Short History of the British Working Class Movement.* 3 Vols.
- DOBB, M. : *Soviet Planning and Labour in Peace and War.*
- DRUCKER, P. F. : *The Future of Industrial Man.*
- DRUCKER, P. F. : *The End of Economic Man.*
- Encyclical " *Quadragesimo Anno* " (1931).
- ENGELS, F. : *The Condition of the Working Class in England in 1844.*
- GORKY, M. (ed.) : *History of the Civil War in U.S.S.R.*
- GUILLEBAUD, C. W. : *The Economic Recovery of Germany.*
- HITLER, A. : *Mein Kampf* (unexpurgated edition).
- HOBHOUSE, L. T. : *Liberalism.*
- JOHNSON, H. : *The Socialist Sixth of the World.*
- JONES, E. M. AND RADICE, E. A. : *An American Experiment.*
- LASKI, H. : *The Rise of European Liberalism.*
- LIPPMANN, W. : *The Good Society.*
- MACMURRAY, J. : *Freedom in the Modern World.*
- MANNHEIM, K. : *Man and Society in the Age of Reconstruction.*
- MISES, L. v. : *Socialism.*
- MOELLER VAN DEN BRUCK, A. : *Germany's Third Empire.*
- MUSSOLINI, B. : *The Political and Social Doctrine of Fascism.*
- NEUMANN, F. : *Behemoth.*
- NIEBUHR, R. : *Moral Man, Immoral Society.*
- OWEN, R. : *A New View of Society.*
- RAUSCHNING, H. : *Make and Break With the Nazis.*
- REED, J. : *Ten Days that Shook the World.*
- ROOSEVELT, F. D. : *On Our Way.*
- SALTER, A. : *Security : Can We Retrieve It ?*
- SALVEMINI, G. : *Under the Axe of Fascism.*
- SCHLESINGER, A. M. : *The New Deal in Action.*
- SOREL, G. : *Reflexions on Violence.*
- STRACHEY, J. : *The Theory and Practice of Socialism.*
- TROTSKY, L. : *The History of the Russian Revolution.*
- WEBB, S. AND B. : *Soviet Communism.*
- YUGOW, A. : *Russia's Economic Front for War or Peace.*



# UNIVERSITY OF LONDON

UNIVERSITY EXTENSION AND TUTORIAL CLASSES COUNCIL:  
TUTORIAL CLASSES COMMITTEE.

## TUTOR'S REPORT FORMS AND REGISTER OF WRITTEN WORK

Session.....19 44/45..... Year of Course.....

Tutorial Class.....Lambeth.....North College.....

Subject.....Politics, Economics & Society.....

Total Number of Pieces of Written Work.....

Tutor.....Karl Polanyi.....



## INSTRUCTIONS TO TUTORS

Detailed instructions are issued to Tutors.

*If from illness or other cause a Tutor is on any occasion unable to conduct his class, he should at once communicate with the Secretary for Tutorial Classes, University of London, London School of Hygiene and Tropical Medicine, Keppel Street, W.C.1, as well as with the Secretary of the class.*

### Notes on Written Work

**Based on the suggestions of the London Group of the National Association of Tutorial Class Tutors**

No uniform or standardised method of annotating essays is laid down. The method is bound to vary with each Tutor.

Written comment reasonably full and detailed, and dealing with specific points as well as with the paper as a whole, is generally desirable, but not in every instance. Comments may be written on the student's paper or on a separate sheet or on both.

Written comments should in many cases be supplemented, and may in exceptional cases be replaced, by conversation with the student individually.

In many cases it is also desirable to comment in class on the written work, or to ask students to read passages from their written work to the class.

It is regarded as bad in principle to mark on the several essays any symbol indicating a specific standard. It is impossible to adopt a uniform standard of marking in face of the widely differing standards of composition among students, and the adoption of a personal standard for each student is also objectionable.

Moreover, some of the same objections apply to grading essays by marks as to adopting any form of competitive examination in connection with Tutorial Classes. All that is needed can be done by verbal and written comments without any form of marking or grading of written work.

Each Tutor, however, will probably find it desirable to keep for his private information such a record of the written work of each student as will indicate his progress.



## Register of written work done by the Students

This Form is provided for the convenience of the Tutor. It need not be returned to the Committee.

Names of <u>all</u> Students			1st Paper	2nd Paper	3rd Paper	4th Paper	5th Paper	6th Paper	7th Paper	8th Paper	9th Paper	10th Paper	11th Paper	12th Paper	Total
1.	Caspall E	M	/	/										(2) 0	2
2.	Daysh J.T.	M	/	/	/	/								(3) 1	4
3.	Dodgson E	F	/	/	/									(4) 3	3
4.	Gibbs L	F												0	0
5.	Handlyn L	F												0	0
6.	Knapp E	F	/	/	/	/								(4) 0	4
7.	Levin P.G.	M	/	/	/	/	/	/	/	/	/	/	/	(5) 7	12
8.	McCarthy S.W.	M	/	/	/	/								(4) 0	4
9.	Milner F.H.	M	/	/	/	/	/	/	/	/	/	/	/	(1) 12	19
10.	O'Dwyer N	F	/	/	/	/	/	/	/	/	/	/	/	(5) 0	5
11.	Palmer M	F	/	/	/	/	/	/	/	/	/	/	/	(8) 8	16
12.	Robbins P.	F	/	/	/	/								(1) 3	4
13.	Sargeant M	M	/	/	/	/	/							(1) 4	5
14.	Schon	M	/	/	/	/								(2) 2	4
15.	Shearer	M	/	/										1 1	(2)
16.	Smith	G	/	/	/	/								(3) 1	4
17.	Trucker	F	/	/	/									(3) 0	3

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Lambeth 2 Class "Politics and Economics in Society."

44/45

Maxley College

List of Class Members.

1. Caspall Eric
2. Daysh Jack
3. Dodgson Miss Elsie
4. Gibbs Miss Louise
5. Handlyn Miss L
6. Knapp Miss Evelyn
7. Levin Percy Gordon
8. McCarthy Stanley
9. Milner Felix Hugh
10. O'Dwyer Miss Margaret
11. Palmer Miss Margery
12. Robbins Miss Paula
13. Sargeant Miss Mabel
14. Schon Maximilian
15. Shearer Miss Marguerite
16. Smith Miss Gwendoline
17. Tucker Frank
18. Watkins George
19. Willgoss Miss Kathleen



[Maudslayi College]

Medieval trade and markets.

How were trade and markets organised in ~~the~~ medieval society?  
As we will see, there were two forms of trade and markets: local and long distance. How were these organised and how did national markets develop out of them?

1. Local markets mainly markets of goods that do not bear or are not worth transporting. The less, the better.

2. Long distance markets -- of goods that must be transported because they do not exist on the spot. The longer the distance, the better.

In medieval society towns arise in protection of markets, and markets make populous places possible. A town is a walled place, the population of which finds safety and sustenance in it.

From this follow the two principles on which trade and markets are organized:

- a. the principle of sustenance. (food)
- b. the principle of fair price.  
that price which will ensure an income guaranteeing a standard of life appropriate to his status.

Apart from the principle of sustenance, the producers point