

# Theory in Economic Anthropology

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## Chapter 6

### Polanyi and the Definition of Capitalism

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It is argued, herein, that every hierarchical social formation rests on a form of wealth whose ownership is denied to many of those who are responsible for its production and augmentation. This includes societies based on wealth in female reproductivity, cattle, land, and, of course, capital. The Marxian overthrow of capital presupposes that workers have so augmented the forces of capital that its marginal valuation has fallen to zero leading to a collapse of the system. However, Polanyi attempts to define capitalism without reference to capital and without reference to the dynamics of capitalist production.

Because of his characterization of capitalism as (in principle) an unregulated market system, Polanyi was unable to address the factors that are responsible for the dynamic properties of the system. And in his attempt to distance himself from Marxian materialism and class struggle, he falls headlong into the camp of neoliberalism, suggesting that efforts to improve the well-being of workers are necessarily counterproductive.

#### **Introduction**

Several years ago, it was my practice to assign to students in my undergraduate class in "traditional systems" a book by Polanyi called *Dahomey and the Slave Trade* (1966). Of course, I was aware of the fact that the real ethnography had been produced by Melville J. Herskovits. However, the book by Herskovits was in two thick volumes, promising to tell more about this ancient kingdom than anyone could reasonably want to know. It was

only later that I realized how straightforward and readable it was (volume one would have sufficed for my purposes) and only later did I begin to develop theoretical differences with Polanyi.

What Polanyi had discovered in reading Herskovits was that Dahomey was a sophisticated and complex African kingdom, featuring a well-planned economy, an effective army including an awesome regiment of Amazons, and important elements of an exchange economy, especially in the domain of cooked food and other consumption goods. Given the prominence of market processes in Dahomey, it might appear that this "Negro" kingdom on the coast of Africa contained the beginnings of a market economy; and Polanyi's study of Dahomey is oriented toward dispelling this impression.

I would be pleased to argue with Polanyi on this point. I would delight in demonstrating that Dahomey was the original capitalist state and that, like so many things of great importance, capitalism breathed its first vibrant breath on African soil. Unfortunately, I cannot make such an argument. Indeed, I consider it to be a rather silly issue, but it is an issue nevertheless—created by Polanyi's peculiar characterization of capitalism as a "market economy."

#### Polanyi's Capitalism

In their preface to *Trade and Market in the Early Empires*, published in 1957, Polanyi and Arensberg said that

[w]e asked, abstractly and analytically, what social action does the free market entail? ... they [the economists] agreed with us upon the following tentative formulation: In the free market of supply and demand, a man can reverse roles, being supplier or demander as he can or wills. A man can go to this market or that as he sees his advantage; he is free of fixed and static obligation to one center or one partner, he may move at will and at random, or as prices beckon. He can offer to all and any comers, dole or divide among them, "corner the market" so that they all pay his price and so dance to his tune. At another turn of prices, or in a next transaction or market, formally, he is one of a similar "crowd" and dances in unison to the tune called by another who may in his turn have "cornered the market" from them all. . . .

Where outside the recent Western world, in the ethnographic record, would we find anything resembling or parallel to this? (1957, viii-ix)

Capitalism is depicted here as a system of traders and merchants, or, some would grandly say, entrepreneurs, seeking profitable opportunity. This depiction is so focused on merchants that we are left unaware of the

nature of the system of production. The production process is entirely hidden from view and relegated to the specific optimization routines of those who own the machines. Polanyi is keenly aware of workers and the need for a labor market under capitalism. A fundamental anomaly of capitalism, he claims, is that capitalism requires a market for labor and that this market cannot be a naturally occurring and freely functioning entity. In *The Great Transformation*, published in 1944, Polanyi argues with great eloquence that capitalism, defined as a purely self-regulating market system, can never exist. It must be constructed and protected by the powers of the state, because the natural processes of the market are inconsistent with the preservation of labor. The conversion of labor into a commodity is destructive in the absence of strategic state intervention that might provide protection. For the sake of capitalism, capitalism must be restrained.

The state is essential, also, to the integrity of land and money, neither of which can emerge from pure market processes, because they cannot be valued at their costs of production. For these reasons, according to Polanyi, a fully self-regulating market system is impossible; and, hence, ideal capitalism is impossible—impossible in part because labor is an unavoidable blemish on the face of a putative ideal. Nevertheless, we are told that the actually existing forms of capitalism resemble and are parallel to his picture of free and enterprising entrepreneurs; and, consequently, the blemishes created by labor, land, and money fail to destroy the essence of capitalism as a system of self-regulating markets.

Were we to follow Polanyi and define capitalism by reference to market processes, we would be unable to distinguish it from market socialism. Polanyi was familiar with the then very prominent discussion of market socialism being pursued by Oscar Lange (1938), Abba Lerner (1944), H. Dickinson (1939) and others, continuing with important work by Benjamin Ward (1967). Market socialism would not be a pure system of fully self-regulating markets; however, it need not be less pure than actually existing market systems. And although this debate about market socialism was at its height while Polanyi was writing *The Great Transformation*, he failed to mention it. According to Peter Rosner (1990), Polanyi contributed considerable attention to the challenge from Ludwig von Mises (1920) on the impossibility of rational resource allocation under socialism. It was the von Mises paper that had given rise to the initial debate and Polanyi had been an early participant in the fray, offering an organizational framework within which socialism might function efficiently. Yet, we do not find in *The Great Transformation* any suggestion that a socialist formation might be able to realize the advantages of unregulated markets. Had he addressed those debates, he might have been forced to consider relations of production as necessary factors in the characterization of social systems.

### **Polanyi and the Condition of Labor**

In *The Great Transformation*, Polanyi focuses on the construction of the English working class and, therewith, the creation of a market for labor power. In his analysis the labor market came fully onto center stage with the abandonment of the Poor Law in 1834. The Poor Law had been established in 1795, a time of great social distress, when a group of men met in Speenhamland, just outside of Newbury, England, and

decided that subsidies in aid of wages should be granted in accordance with a scale dependent on the price of bread, so that a minimum income can be assured to the poor irrespective of their earnings (his emphasis)... Very soon it became the law of the land over most of the countryside, and later even in a number of manufacturing districts; actually it introduced no less a social and economic innovation than the "right to live" and until abolished in 1834, it effectively prevented the establishment of a competitive labor market. Two years earlier, in 1832, the middle class had forced its way to power, partly in order to remove this obstacle to the new capitalistic economy. Indeed, nothing could be more obvious than that the wage system imperatively demanded the withdrawal of the "right to live" as proclaimed in Speenhamland. (Polanyi 1944: 78)

The "right to live" was not an innovation that came upon the scene with Speenhamland; it was the custom of the countryside and of the feudal period that members of the parish or estate would be availed the resources by which to secure a living. The parish serfdom that was installed by the Act of Settlement of 1662 had the function of binding the common folk to the village (Polanyi 1944: 78), but fortunately the village contained a variety of common resources from which life could be assured, except under the worst conditions. However, with the expulsion of village folk by the enclosures that divorced the people from their means of survival, the traditional elite sought another way to assure the right to life. Hence, Speenhamland.

Polanyi argues that the ultimate destitution of the workers of England was not the result of class exploitation. The employer offered employment and the workers accepted it voluntarily. The workers' destitution arose, he says, from the destruction of the traditional culture and groups to which they had belonged, not from meagerness of wages.

"There is no starvation in societies living on the subsistence margin." The principle of freedom from want was equally acknowledged in the Indian village community and, we might add, under almost every and any type of social organization up to about the beginning of sixteenth century Europe, when the modern ideas on the poor put forth by the humanist Vives were argued before the Sorbonne. It is the absence of the threat of individual

starvation which makes primitive society, in a sense, more human than market economy, and at the same time less economic. (Polanyi 1944: 164)

But what, I ask, is the problem with capitalism that makes traditional rights to life so problematic? Why is it that capitalism is associated with the destruction of traditional communities both at home and abroad? Given that capitalism is associated with a massive increase in society's productive potential, is it necessary that (as Marx suggests in *Wage Labor and Capital*) the "forest of uplifted arms demanding work becomes ever thicker, while the arms themselves become ever thinner"? The answer is that capitalists are expected to pay the lowest wage consistent with securing the services of a worker, without reference to the requirements of survival for the worker and his family. It would make sense, then, to allow workers to have alternative modes of survival, such as private plots of land from which to secure certain staples. We find such structures in Latin America, where native producers seek out work on the *latifundia* only for ancillary expenditures and tax payments. The provision of family plots makes it possible to reduce wage rates to a much lower level. Yet, in the construction of the English working class, it was presumed that workers simply would not work unless threatened with starvation and driven by hunger. This partly explains Polanyi's attack on *Speenhamland*. His argument is that the squires of England only made things worse by attempting at *Speenhamland* to remove the essential foundation for labor supply.

To later generations nothing could have been more patent than the mutual incompatibility of institutions like the wage system and the "right to live," or, in other words, than the impossibility of a functioning capitalistic order as long as wages were subsidized from public funds. (Polanyi 1944: 81) Polanyi presumes that the industrial system must impose a heavy price upon the common people; and he presumes that the labor market must be forced into existence by the state against the resistance of traditional conceptions of the right to life. Only with the removal of this traditional right could modern capitalism come into existence.

While there were certainly serious problems with *Speenhamland* as a form of public policy, it would be useful to reconsider capitalism as a social formation before addressing issues of labor regulation. Labor is a feature of capitalism. For Polanyi it is an unfortunate adhesion to the system because it is ineluctably connected to the human material that is its source. So, while it may not matter that the price of widgets goes to zero, it does matter if wages follow that course, leading to the destruction of the human community. Hence, the state must stand ready to protect labor from the ravages of free markets. One should not allow labor to be part of the self-regulating mechanism by which capitalism is defined.

The beginning of a more powerful understanding of capitalism could begin with the last paragraph of *The Grundrisse*, 1857-58, where Marx declares that

[i]t requires no great penetration to grasp that where e.g. free labour or wage labour arising out of the dissolution of bondage as the point of departure, there machines can only arise in antithesis to living labour, as property alien to it, and as power hostile to it; i.e., that they must confront it as capital (Marx, in Tucker 1972: 293)

With Marx the contradiction between labor and capital is not based on free versus non-free markets, but on the fact that workers, who are remunerated by wages, are thereby denied any claim on the product of their efforts. It is on the basis of this fact that in the course of capital accumulation, capital can grow relative to labor and, as the property of an alien class, become an instrument for the subjugation of labor. To the extent that workers are successful in extracting a social product from the forces of nature, to that extent also they build the power that controls and dominates them.

This argument may seem at first to be an overly dramatized and radicalized image of the worker's position. However, accepting that characterization does not entail any particular consequence or suggest any particular ethical valuation. Rather, the central thesis of this chapter is that the relationship, observed by Marx, between workers and capital is also reflected under other institutional formations that are structured hierarchically in terms of a wealth-asset. It is simply a most fundamental analytic fact that in any system of wealth, a class of direct producers is impressed into service by the owners of wealth in such a way as to facilitate an augmentation of the wealth held by those owners. In some systems the strategic use of "direct producers" is only ancillary to the process of wealth accumulation, and in other cases such use is essential. The exceptional strength of capitalism arises from the fact that it most effectively extracts value from direct producers.

If we agree that labor is an essential factor in capitalist accumulation we can go forward to ask to which extent is the "right to life" incompatible with this process of accumulation. Moreover, the same question can be posed in relation to direct producers within other systems of accumulation. We shall, not surprisingly, find that decreasing the resources to be received by such producers is to the advantage of those who make use of them, increasing the rate at which the wealth-asset can be accumulated. However, we cannot find support for the notion that the right to life is incompatible with accumulation, per se. The issue of labor regulation is reduced to the determination of shares of economic resources that are to accrue to labor and the owners of capital. A social policy that aims to

maximize the rate of accumulation on the backs of dehumanized workers may be politically unstoppable, but it is not logically necessary

### **The Exigencies of Wealth Accumulation in other Social Formations**

Wealth is defined herein as a resource that possesses four essential properties:

- (a) it provides a flow of benefits (consumption goods) to some set of individuals;
- (b) under effective management, it has the capacity of growth (at a nonnegative rate) in magnitude or quantity over time;
- (c) the resource does not achieve redundancy in magnitude, so that additional units of the asset possess positive valuation; and
- (d) there exists a mechanism by which the benefits of this asset devolve indefinitely across generations.

Consider wealth in the form of female fertility. This form of wealth is the asset around which matrilineal groups are formed within both human and nonhuman societies (satisfying characteristic "d"). Any group that can capture the reproductivity of women will be able to experience an increasing quantity of that asset, as women produce additional women in an indefinite sequence of reproduction (characteristic "b"); and in any generation the women and men who are the product of women are directly the sources of various benefits and are useful in the production of consumption goods (characteristic "a"). Finally, if ecological factors have not induced a demographic transition and if food sources are adequate to a growing population, additional children will have positive social value (satisfying characteristic "c").

In order for fertility to be maintained as a wealth-asset, it is necessary that the biological capacities of women be expressible without the critical economic intervention of men. If men are primarily responsible for food or example, then the number of men available for food acquisition would become the limiting factor for population growth, not the number of women; and it would be men who can gain the advantages associated with possessing an essential wealth-asset.<sup>1</sup>

Over the course of human existence, the more common social ecologies were, arguably, those in which women were fully capable of supporting themselves through the gathering of wild foods or by simple horticultural methods or by other methods that were not monopolized by men; and it is plausible that the power of female fertility was more

directly a function of the number of women and not particularly affected by the number of men. Under these conditions social organization may be structured around female fertility and men may be forced to abandon their natal domestic groups in search of sexual and other domestic satisfactions.

A most pitiable example comes from Africa, where a man of the Cewa tribe submits to a life of agricultural work on the land of his wife's people. Mitchell says that unsuitable husbands are dismissed with compensation and sent away. He adds that the husbands of the women of a village are often away visiting and are definitely not reckoned as members of the community. Stannus states that a widower is usually given a present with the suggestion that he go elsewhere since he no longer has any standing in his wife's village. Marwick indicates that Cewa marriage ties sit loose and speaks of a man and his sister and "her current husband."

The Cewa talk of the father as a stranger. "He is a beggar; he has simply followed his wife." At divorce he leaves his wife's village with his hoe, his axe, and his sleeping-mat and has no right to any of the children of the marriage, even if he may have begotten as many as seven children. (Richards 1950, 233-34)

A similar story can be told about men in Rembau, one of the nine states of Negri Sembilan, Malaysia. Here we find not only matriliney but patriarchy, where all clan land is inherited by women only. The position of men in marriage is predictably low:

But if the responsibility for a husband's welfare rests with his wife, his relative position is one of inferiority. He is at the beck and call of his relations by marriage; his mother-in-law boasts that she can find some use for any sort of son—the clever may be cajoled, and the fool bullied; the blind man can be put to pound the rice; the cripple to mind the padi drying in the sun; the deaf to fire the cannon and the braggart to take the hard knocks. The mother's dominance in the home is patent to her children and has prevented the growth of a sincere filial affection for the father. (Parr and Mackray 1910: 87)

In matriarchal Rembau most marriages are arranged by the dominant women of the group, who give their sons away in the hope of a fruitful affinal alliance. However, some men obtain wives "by storm" whereby they gain entrance into a woman's house, grab hold of her, and refuse to budge. The woman's kin fly into the house, bludgeoning him in an effort to force him from the house. If they fail, if he hangs on, bruised and bloody, he is able (after an appropriate monetary penalty) to claim the woman as his bride. We see here the kind of indignity to which men will fall in the absence of wealth-assets with which to demand the transfer of women.

It is reasonable to argue that the circulation of men and their competitive attempts to gain entry into groups containing the resources of women have been predominant over the course of hominid and human existence. In this event, men in their roles as husbands-fathers have been induced to contribute to the growth of alien matrilineal groups as a condition for sexual access to women in those groups—*structurally indistinguishable from the position of labor under capital*.

The enormous power of female fertility has been denied by some feminists, since the conditions of contemporary capitalism are not conducive to it. The "demographic transition" that accompanies industrialization announces the death knell of fertility as an asset around which people can organize as corporate groups. While fertility continues to be essential to the continuation of the society, there emerges a redundancy in its availability; and the actual number of births could be produced by a smaller number of women, implying that the marginal social value of women's fertility has fallen to zero.

While female fertility is no longer a source of power, neither is it the source of female subordination, as some have argued. The subordination of women arises from the fact that men have gained access to forms of wealth that overwhelm fertility as a basis of power. The most elementary form of wealth that men have claimed is animal stock. By elementary I do not suggest that animal stock was the historically original form of wealth (other than fertility); rather, it is elementary because the forms of social organization that are required to accommodate the growth of animal stock are comparatively simple; other forms of wealth cannot grow except with the development of relatively complicated social structures and the imposition of a host of social rules. Yet, the exploitation of this natural process is revolutionary for social organization. In order to manage and gain the advantages of animal stock, men organize themselves around it in patrilineal organization; and by standing on a platform made possible by animals, men are able to make claim on the fertility of women.

We encountered this issue initially in relation to characteristics of cattle used as bridewealth in certain African societies. In the course of studying this issue, we noticed that if cattle are to be employed as bridewealth, it is necessary that the rate of growth of herds exceeds the rate of growth of the human population. Stated differently, cattle can be used as bridewealth only because the fertility rate of cattle exceeds that of women. It is this fact that confers power on those who own cattle, relative to those who have daughters; and it is fundamentally for this reason that cattle-holding, patrilineal organization can generally overwhelm the matrilineal, whose basis of power is female fertility. For most readers, this fact must come as a surprise. Certainly, it is not a fact that can be established by ethnographic observation; we can see it clearly, however, in structured simulations of

bridewealth regimes (see Bell and Song, 1990,1992-93,1995). These findings strongly contradict the economic notion that bridewealth is a market valuation of women's contributions. Indeed, we show that if one attempts that form of evaluation, wives are worth much less than the cattle expended on them.<sup>2</sup> On the other hand, since cattle possess a higher rate of growth than the human population (much like a higher rate of interest on money) it can be a source of greater power for those who possess it, and this power is greater when the level of bridewealth is lower.<sup>3</sup>

When men are able to join together in corporate ownership of cattle they are able to induce the transfer of women to their group and use those women as instruments for the growth of their patrilineage, a patrilineage with which women are associated but to which they cannot belong. It is a classic case of direct reproducers being alienated from their product and contributing to the power of the group that controls them. And as the patrilineage grows stronger, its power grows over those groups who must accept a net outflow of women in order to accumulate cattle.

Hence, with re-productivity as a wealth asset, men are often exploited as instruments in the growth of alien matrilineages; on the other hand when cattle are the wealth-asset, women are exploited as instruments of alien patrilineages. Both processes are parallel to use of wages as mechanisms for excluding workers from rights to capital whose growth depends on their work efforts.

Land is potentially a wealth-asset. However, the fertility of land is measured in products different from land itself. The husbanding of land does not generally produce more land. In any case, having more land is of great value only when one can force other people to work on it. By working the land yourself, you secure your subsistence; by exploiting the work of others, you have the potential of converting land into an effective wealth-asset. The technology of land accumulation is a process by which some people seize the land of others, creating a class of landless individuals who will work for others in return for a share of the harvest. However this hierarchical structure is feasible only with the construction of a set of institutions, the raising of an army, and the legitimation of the rules that allow the collection of surplus. It is only by means of a rather complex set of social mechanisms that land becomes a source of additional land for an elite minority. Once again, we find that the efforts of direct producers are essential to the strengthening of the overlords. In China and Egypt men could be forced into 'corvee labor' for the construction of canals and other infrastructure projects that facilitated an expansion of the arable. This is a case of land supporting labor which could be used to create land by means of "an indirect process re-production" and the state, emperor, king or pharaoh claimed ownership of the land and took a direct interest in its expansion.

It is only with great difficulty that the owners of land are able to generate a continuing growth of power and wealth. This difficulty is demonstrated by the overrunning of a powerful and sophisticated Chinese empire by herding peoples, the Mongols in the thirteenth century and by the Manchus in the seventeenth. Let me say, emphatically, that the Chinese were technically capable of vanquishing any of their adversaries. However, an almost effete culture had developed that disparaged military activity and China sought to hide behind a Great Wall. This was a culture that found the control of military leaders to be quite difficult, finding that they were sometimes a source of attack, rather than defense. In other words, the institutions of China were not articulated in a fashion that would maximize the growth of the imperial domain. Only a more militaristic (and a culturally less sophisticated) culture would have accomplished this. Moreover, the efforts of the state were generally oriented toward preventing the growth of landlordism and the attendant danger of warlordism. Not only did accumulation of land by elites tend to reduce peasants to desperation and perhaps rebellion, but it gave rise to an elite that could not be trusted by the state.

Land is a powerful wealth-asset only to the degree that it is embedded in a social mechanism that promotes growth of the asset and protects it from attack. Social mechanisms of various forms are essential for any form of wealth, including wealth in women or animal stock. However, in these latter cases, the wealth-asset has a natural process of growth; and the institutions that can be elaborated for augmenting the accumulation of these wealth-assets appear to be relatively uncomplicated.

### **Characteristics of Capitalism**

Which brings us back to capitalism. The industrial means of production is not like cattle; it has no natural tendency to reproduce and become wealth. In order for the means of production to become capital it must be embedded in a set of social institutions and rules that allow it to grow thereby becoming a wealth-asset. We cannot begin to understand capitalism as a general form of social organization unless we focus on capital as a form of wealth and hence on capital accumulation. Capitalism is one of the sets of institutions that facilitates the growth of industrial capital; and wages (rather than shares of the product) are central to its effectiveness. During the period of its embryonic development, during the period of "primitive accumulation," it would appear that no system of social organization can compete with capitalism as a mode of accumulation. Surely, the grinding down of the worker's living standards that one finds in that period is not consistent with worker control.

Historically, the state has been the organized collectivity within which the growth of capital is articulated. Land as wealth has also required a state formation; but in the case of land, subsidiary corporate structures are common and strongly encouraged, especially patrilateral structures. Capital, however, greets traditional wealth-holding groups with hostility, while accepting the state as an ideologically illegitimate but functionally necessary entity. Indeed, Polanyi's conception of capitalism as a self-regulating market implies the irrelevance of the state. His discussion is directed, then, to explaining why a state is necessary for the regulation of money, land, and labor in an otherwise unregulated terrain.

All too often, scholars are able to recognize the cultural context of behavior in other societies, while denying culture as an arbiter of their own behavior. They have culture, while we are rational. They are embedded in social relations, while we are free to act. They have duties, while we have freedom of choice. And by accepting the ideology of an ascendant European bourgeoisie one can be led to believe that "free enterprise" has no need for superordinate authority. Perhaps labor, the weak, and the poor have a need for government, but not free enterprise. This, of course, is the argument of Polanyi, who does not notice that for every line of legal code produced in support of labor there are one thousand written in support of some section of capital. It is these many lines of legal code and public administration that are the foundation of "free enterprise." And given the fact that the industrial means of production cannot grow by intrinsic or natural forces, state machinery provides the necessary context for growth. Capitalism is necessarily embedded in a nest of rules, defined at the level of the state (and increasingly at the transnational level). So, while capitalism systematically destroys most forms of social relation common to precapitalist formations, such as lineages, village communities, and a wide range of other associations, it remains embedded in social relations. The state is to capital as the patrilineage is to cattle and as the matrilineage is to female reproductivity. In a world system of capitalism, with many state systems in competition, conflict, and cooperation, it is precisely the state, whose role Polanyi believes to be extrinsic, that acts as the manager of systems of capital accumulation.

There is a multiplicity of institutional frameworks for the management of capital, but "self-regulating markets" is not one of them.

Which brings us back to Speenhamland. What was Polanyi's point in attacking this policy? He argues that capitalism is inconsistent with the right to life, so that the steady movement toward free markets is met by a countermovement of restrictions by the state for the protection of labor. Polanyi would have us believe that the capitalist state exists for the benefit of workers; and in the last pages of *The Great Transformation*, in an

appendix on Speenhamland, he joins with the enemies of labor in an attack on social policy in general:

The utter incompatibility of Speenhamland with the wage system was permanently remembered only in the tradition of the economic liberals. They alone realized that, in a broad sense, every form of the protection of labor implied something of the Speenhamland principle in interventionism (Polanyi 1944: 301)

An astounding statement: "Every form of the protection of labor" is, by implication, misguided and counterproductive. Capitalism is a tragedy for workers, but Speenhamland proves that it is better to leave them to their fate. Yet, on closer inspection any policy analyst would see immediately that the problem with Speenhamland was specific to the details of its provisions and implied nothing about "every form of the protection." In particular, it was an income subsidy that guaranteed a specific minimum level of income, with a 100-percent tax on increased earnings below this minimum! If you earned less than a stipulated amount, the state would raise your income to the standard, removing the relationship between income and work. This is simply bad public policy; but by focusing on Speenhamland and suggesting that its failure implies a much broader fault of policy, Polanyi falls into the camp of brain-dead neoliberalism. Of course he is exceptional in that he enters that camp with heavy heart, in horror with tears; but he enters nevertheless with a seemingly rational acceptance of the awful necessities of human progress.

### **Polanyi and Marx**

The characterization that we have provided of Polanyi is not the common one. More common is the perception of Rhoda Halperin (1998). In this view, Polanyi was a socialist whose ideas are largely derived from Marx; and it is suggested by some observers that Polanyi's apparent differences with Marx were the result of a strategic use of terms that promised to be less problematic and more influential during a time of right-wing McCarthyism. However, our discussion has relied almost entirely on *The Great Transformation* for insight into his views; and that book was published in 1944. In that book Polanyi makes a number of references to Marx, most of which dismiss him as a follower of David Ricardo.

Professor Halperin's version of Polanyi is derived from his papers on "the early empires." In various chapters that he contributed to the *Trade and Market in the Early Empires* (Polanyi 1957) and especially in his "the economy as instituted process," Polanyi presents reciprocity

redistribution, householding, and exchange as features of those early empires; and he argues that these processes of resource allocation are embedded in social institutions. Unfortunately, Polanyi does not carry these valuable insights over into his understanding of capitalism. Under capitalism, he argues, the market overwhelms these institutional forms, replacing human relations with the strictly economic. However, Professor Halperin has applied Polanyi's model of early empires to an analysis of capitalism, in contradiction to Polanyi's very explicit position on the matter, and she has suggested that Polanyi's early empires model was derived from Marx's model of capitalism. As much as I wish that it were so, it is not so.

As I have argued herein, Marx's model of capitalism is a model of accumulation and power at the micro level and of an increasing concentration of capital at the macro level. Workers are victims in this process, but so are the many capitalists who bite the dust of atomistic competition. This process can come to an inglorious end only when capital becomes abundant. And, much like the overthrow of fertility by the demographic transition, we would have the overthrow of capital by socialist revolution.

While labor is the source of capital and the force behind its continued accumulation in Marxian analysis, workers enter only negatively in the Polanyi model. The struggles of workers are oriented toward securing the "right to life," even when the promotion of that right can only retard the evolution of fully unregulated markets. There seems to be no dynamic in Polanyi, other than the back-and-forth movement and countermovement between free markets and restriction. The movement toward the free market ideal will never be realized (unfortunately!) because of worker resistance. Some have complained (e.g., Block 1997) that Polanyi appears at times to suggest that the ideal of unregulated markets has been (nearly) realized. My own view is that he does not presume that any major progress toward complete (capitalist) freedom is feasible; there is only a stalemate in which workers seek a better life, even though no better life can be found.

### Notes

1. One possibility is that the technology of food acquisition favors the capacities of men, as among the Inuit; another possibility is that food can be obtained effectively by violent attacks upon those who have it. And a final possibility is that men may be essential to the protection of women and the product of their fertility from external attack and decimation. These are cases where the biological capacities of men provide for them an advantage. Under these circumstances, matrilineal forms are unlikely to survive. They fail because the underlying asset, female fertility, is without autonomous power.

2. Since women are exchangeable for cattle, the value of a woman's fertility can be measured in terms of the cattle gained from the marriage of her daughters, her daughters' daughters, etc., discounted to the present. We can then compare the cattle value of a woman's reproductivity against the cattle value of a cow's reproductivity. This is the basis of a "benefit-cost" calculation that we show to be inappropriate for the analysis of bridewealth regimes.
3. It is clear that cattle growth, and human growth, can be affected by famine, disease, and other calamities. Indeed, at some point the growth of herds can be expected to encounter limiting resource conditions. Our discussion of relative rates of growth neglects these complications.

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