

**UNIVERSITY OF TORONTO**  
**Department of Economics**

**ECO 302 H1Y Fall 2012**

**Monday 10 – 12**

**Professor A. Rotstein**

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**COMPARATIVE ECONOMIC INSTITUTIONS IN HISTORY**

This is a seminar course in advanced economic history with emphasis on student participation and discussion. The main aim of the course is to provide some theoretical concepts and analytical techniques to deal with economies outside the mainstream of recent European and North American market economies. The theoretical focus is on widely varying institutional forms of trade, money uses, market behavior, land tenure systems and modes of allocating labor. In primitive and feudal societies for example, these often depart significantly from the conventional supply-demand nexus with which we are generally familiar from our own economic experience. We will be touching as well on material in economic anthropology and sociology.

This course has, in the past, drawn students with backgrounds in development economics, anthropology, geography, and East Asian studies as well as in European and North American economic history. Participants are encouraged to follow up their pre-existing interests and skills in the preparation of papers. For example, we have had papers in such areas as the economies of the American Indians, the fur trade on the B.C. coast, medieval peasant markets in England, Berber markets in North Africa, the Han dynasty of China, the slave systems of Greece and Rome, slavery in the United States, the origins of money, Mexican land reform, and early Russian peasant villages (The Mir). More modern topics include state-organized economies and the restoration of markets in Russia, Eastern Europe, and China. The new impetus toward the globalization of financial markets and regional trading blocs forms another area for examination of contemporary institutions. Our main interest is in the way economic institutions vary from each other and how they change.

The first section of the course is devoted to the theoretical work of Karl Polanyi in this area. Students are assigned certain readings to provide them with a “tool box” to pursue their individual case studies. Criticism of the Polanyi approach is considered as well. Reports of “work-in-progress” will be presented in class.

## OFFICE HOURS

Professor Rotstein will have office hours on Mondays from 8:45 - 9:45am in Room G 40, in the basement of the Economics Dept, 150 St. George St.

## GRADES

There will be no final exam. Grades will be based on the following assignments:

(15%)      **BOOK REVIEW** of *The Great Transformation* (about 1500-2000 words). Include a summary of **one** of the main themes of the book and your own critical perspective. Keep in mind whether such a theme may relate to some of the modern economic events of the last few years such as the move to globalization, the “transition” in former state-run economies and so on. This review is due on Monday Oct. 15, 2011 at the beginning of class.

(50%)      **RESEARCH PAPER** on a non-market economy (primitive, feudal, medieval), or on a modern economy in transition to a market system as in Eastern Europe or China). 5000 words, or about 20 or so double-spaced typed pages. (Please number the pages)

A **TWO-PAGE OUTLINE** of the essay including a title, a draft statement of the main theme as well as a bibliography of about six key books or articles is due on Monday, Oct. 22. These outlines will be returned to you with comments the following Monday Oct. 29, 2011.

Completed essays are due on Monday, Nov. 19 at the beginning of class.

(25%)      A **CLASS TEST** will take place on Monday Dec. 3. The test will take place from 10:10 to 11:00 am in the same classroom.

(10%)      **STUDENT PARTICIPATION** in class discussions, debates, presentation of essay, etc.

100%

## READINGS

Because of the short time frame, students will be expected to begin their readings immediately after the introductory lecture with the following book, available at the University Bookstore:

**Polanyi, Karl. *The Great Transformation*. Boston: Beacon Press, 1957. (Later editions are acceptable as well).**

*The articles included in the outline below are required reading. Some can be found in The Great Transformation while the rest are available in a reading package that can be purchased from **Print City, at 180 Bloor St. W., just west of Bloor and Avenue Rd.** Their telephone number is 416-920-3040. The kit costs \$20 plus taxes.*

## OUTLINE

- Sept. 10**                    **INTRODUCTION**  
Texts, term work, grades, key concepts in the first hour..  
Introductory lecture in the second hour.
- Sept. 17**                    **No class**
- Sept. 24 – Oct.1**        **THEMES FROM *THE GREAT TRANSFORMATION***  
**(2 Sessions)**
- Four pillars of the 19<sup>th</sup> century
  - The industrial revolution
  - Society as protagonist
  - The “double movement”
  - The Great Depression and post-war reconstruction
- Readings***
- Polanyi, Karl. “The Hundred Years’ Peace.” Ch.1 from The Great Transformation. Boston: Beacon Press, 1957, .3-19.
- . “The Self-Regulating Market and the Fictitious Commodities: Labor, Land, and Money.” Ch.6, pp.68-76.
- . “Political Economy and the Discovery of Society.” Ch.10, pp.111-129.

- . “Man, Nature, and Productive Organization.” Ch.11 from *ibid.*, pp.130-134.
- . “Conservative Twenties, Revolutionary Thirties.” Ch.2 , pp.20-30.
- . “Disruptive Strains.” Ch.18, pp.209-219.
- . “History in the Gear of Social Change.” Ch.20 pp.237-248.
- . “Our Obsolete Market Mentality.” Commentary, vol.3, no.2, February 1947, pp.109-117.

Paul Krugman, “An Irish Mirror”, *N. Y. Times*, Mar. 8, 2010

**Oct. 8**

***Thanksgiving Holiday***

**Oct. 15 - 22  
(2 Sessions)**

**FORMS OF INTEGRATION - Alternative Economic Systems**

***Readings for Oct. 15***

Diamond, Jared. “From Egalitarianism to Kleptocracy.” Ch.14 in Guns, Germs, and Steel. New York: W. W. Norton & Company, 1999, pp.265-292.

Polanyi, Karl. “Societies and Economic Systems.” Ch.4 from The Great Transformation, *op.cit.*, pp.43-55.

Polanyi, Karl (in collaboration with Abraham Rotstein). “Reciprocity, Mutual Aid and Co-operation.” Ch.4 in Dahomey and the Slave Trade: An Analysis of an Archaic Economy. Seattle: University of Washington Press, 1966, pp.60-69.

***Book Review Due Oct. 15***

***Readings for Oct. 22***

---. “Evolution of the Market Pattern.” Ch.5 in The Great Transformation, *op.cit.*, pp.70-80.

Neale, Walter C. “The Market in Theory and History.” Ch.18 in Trade and Market in the Early Empires: Economies in History and Theory. New York: The Free Press, 1957, pp.357-372.

Schaniel, William C. and Walter C. Neale. "Karl Polanyi's Forms of Integration as Ways of Mapping." Journal of Economic Issues, vol.34, no.1, March 2000, pp.89-104.

**Oct. 22:** *Outline of essay due*

**Oct. 29** **TRADE, MONEY, MARKET**

***Readings***

Rotstein, Abraham. "Karl Polanyi's Concept of Non-Market Trade." The Journal of Economic History, vol.30, no.1, March 1970, pp.117-126.

---. "Innis: The Alchemy of Fur and Wheat." Journal of Canadian Studies, vol.12, no.5, Winter 1977, pp.6-31.

---. "The Mystery of the Neutral Indians." From Patterns of the Past: Interpreting Ontario's History, Roger Hall et. al., eds. Toronto: Dundurn Press, 1988, pp.11-36.

Malinowski, B. "Kula: The Circulating Exchange of Valuables in the Archipelagoes of Eastern New Guinea." From Man (1920), no.51, pp.97-105.

Neale, Water C. "Who, What, When, and How: Money Uses Illustrated." Ch.4 in Monies in Societies. San Francisco: Chandler & Sharp, 1976, pp.31-45.

---. "The Impact of Multipurpose Money on Tribal Societies." Ch.8 in *ibid.*, pp.77-84.

**Nov. 5 :** **RUSSIA AND CHINA: THE INFORMAL ECONOMY**

***Readings***

Ledeneva, A.V. Russia's Economy of Favors: Blat, Networking, and Informal Exchange. Cambridge: Cambridge University Press, 1998, pp.139-174.

Wilson, S. "The Cash Nexus and Social Networks: Mutual Aid and Gifts in Contemporary Shanghai Villages." China Journal, No.37, January 1997, pp.91-112.

**Essays Due at the beginning of Class**

**Nov. 12:** **Fall Break -- No Class**

**Nov.19: TOWARDS A GENERAL ECONOMIC HISTORY**

***Readings***

Polanyi, Karl. “The Economy as Instituted Process.” Ch.13 from Trade and Market in the Early Empires: Economies in History and Theory. New York: The Free Press, 1957, pp.243-270.

Hejeebu, Santhi and Deirdre McCloskey. “The Repeating of Karl Polanyi.” Critical Review 13 (1999), nos.3-4, pp.285-314.

**Nov. 26 GLOBALIZATION -- A CRITICAL PERSPECTIVE**

***Readings***

Stiglitz, Joseph E. “The Promise of Global Institutions.” Ch.1 from *Globalization and Its Discontents*. New York: W.W. Norton, 2002, pp.3-22.

----- “The Way Ahead.” Ch.9 from *Globalization and Its Discontents*. New York: W.W. Norton, 2002, pp.214-252.

Rosenberg, Tina. “Globalization.” *New York Times*, Magazine, Aug. 18<sup>th</sup>, 2002.

Krugman, Paul, “How Did Economists Get It So Wrong?” *New York Times*, Magazine, Sept. 6, 2009

**Dec.3 FINAL TEST**

**NOTE:** The Test takes place in class from 10:10 – 11:00

*The following books are suggested for further reading, offering a more thorough exposition of the topics to be covered:*

- Polanyi, Karl. The Livelihood of Man. Harry W. Pearson, ed. New York: Academic Press, 1977.
- Polanyi, Karl (in collaboration with Abraham Rotstein). Dahomey and the Slave Trade: An Analysis of an Archaic Economy. Seattle: University of Washington Press, 1966.
- Polanyi, Karl, Conrad Arensberg and Harry Pearson (eds.). Trade and Market in the Early Empires: Economies in History and Theory. New York: The Free Press, 1957.
- Polanyi-Levitt, Kari, (ed.). The Life and Work of Karl Polanyi. Montreal: Black Rose Books, 1990.
- Dalton, George (ed.). Primitive, Archaic, and Modern Economies: Essays of Karl Polanyi. Garden City, N.Y.: Anchor Books, 1968.
- Humphreys, S.C. "History, Economics, and Anthropology: The Work of Karl Polanyi." History and Theory, vol 8,no.2,1969,pp.165-212.
- McRobbie, Kenneth, and Kari Polanyi Levitt, eds. Karl Polanyi in Vienna. Montreal: Black Rose Books, 2000.
- Mendell, Marguerite and Daniel Salée (eds.). The Legacy of Karl Polanyi: Market, State and Society at the End of the Twentieth Century. New York: St. Martin's Press, 1991.
- Neale, Walter C. Monies in Societies. San Francisco: Chandler & Sharp, 1976.
- Stanfield, J.Ron. The Economic Thought of Karl Polanyi: Lives and Livelihood. New York: St. Martin's Press, 1986.

\*\* The newest and possibly the best book is:

Dale, Gareth, Karl Polanyi, The Limits of the Market, Cambridge, Polity Press, 2010

*For a neo-classical approach, see:*

Firth, Raymond, ed. Themes in Economic Anthropology. London: Tavistock Publications, 1967.

Leclair, Edward E. Jr. and Harold K. Schneider, eds. Economic Anthropology: Readings in Theory and Analysis. New York: Holt, Rinehart and Winston, 1968.

